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EU's Single Currency Gets a Boost in Dublin

In Victory for Bonn, Finance Chiefs Agree on Budgetary 'Stability Pact'

By Tom Buerkle
International Herald Tribune

DUBLIN — Finance ministers and central bank governors of the European Union have given a strong push to the bloc's plans for a single currency by agreeing to the broad outlines of a "stability pact" to contain future budget deficits.

The agreement, reached at a meeting at Dublin Castle on Saturday, was a victory for Germany, which has campaigned vigorously for a year to toughen constraints against government deficit spending after Europe embarks on economic and monetary union.

Officials predicted that the outline agreement would reinforce the credibility of plans for a core group of EU countries to adopt a single currency in 1999, a view that financial market analysts increasingly endorse. The budgetary restraints should convince international investors, and wary German consumers, that the future Euro will be as stable as the Deutsche mark, officials said.

Finance Minister Ruairi Quinn of Ireland, who led the meeting, said work was on track for EU leaders to approve detailed agreements on budget and exchange-rate stability at their summit meeting here in December, which "will ensure that economic and monetary union will take place on Jan. 1, 1999."

Even Kenneth Clarke, the British chancellor of the Exchequer, sounded confident that the Euro would fly. "I get the feeling even more clearly that it is going to go ahead," he said.

He also made his strongest statement yet that participation would actually benefit Britain, a view likely to exacerbate divisions within the governing Conservative Party over policy toward the EU. "A single currency could offer the prospects of stability, low interest rates and a zone of economic conditions which attract investment and stimulate the growth of trade," Mr. Clarke said.

The single-currency project still faces serious hurdles in the run up to 1999. Economic growth could fail to pick up, leaving EU countries well short of the low-deficit requirements for entry. With much of the public continuing to equate the single currency with austerity and mass unemployment, there is always the risk that France or Germany, the driving forces behind monetary union, will press to delay or ditch the project.

Nevertheless, progress on the stability pact and a separate arrangement to limit exchange-rate fluctuations between the Euro and other EU currencies reinforced the impression that monetary union has acquired powerful momentum.

"It is now more likely than before that fiscal discipline will be respected after monetary union," said Klaus Friedrich, chief economist at Dresdner Bank AG in Frankfurt. "In Germany, it increases the credibility of the project, no doubt about it."

A survey of 100 European economists published last week by the Swedish bank Swedbank found that 79 percent believed the Euro would be launched on Jan. 1, 1999, with Austria, the Benelux countries, France, Germany and perhaps Ireland participating.

The ministers and central bankers agreed that countries that join the single currency must take corrective austerity measures if their budget deficits rise above 3 percent of gross domestic product, or face stiff fines. Governments probably would have nine months to take such measures, a compromise between German demands for swift action and a general recognition that national Parliaments must have time to approve

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Olivetti Talks With France Telecom

By Alan Friedman
International Herald Tribune

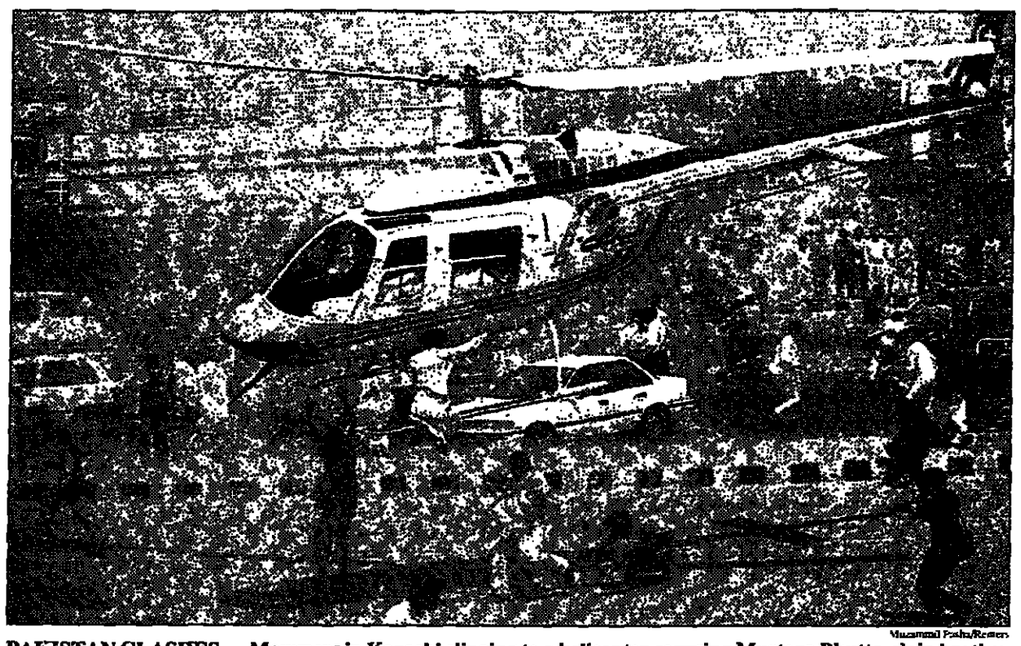
PARIS — France Telecom and Italy's Olivetti group are in talks aimed at forging a new strategic alliance that could lead to the French state telephone monopoly's eventually buying an equity stake in the troubled Italian company, according to executives close to the discussions.

Michel Bon, the president of France Telecom, confirmed in an interview that the two companies were exploring the possibility of "a broader alliance."

At present, France Telecom and Olivetti have plans to cooperate in the Italian telephone market and are working to finalize plans for the French company to make an investment in Infostrada, Olivetti's fixed-line telephone venture in Italy.

Mr. Bon, speaking in Paris, said that any developments concerning Olivetti's overall share capital were of "the utmost interest" to France Telecom. He declined, however, to provide any details of the current alliance negotiations, and he would not say whether the current exploratory talks with Olivetti included the prospect of France Telecom's buying a block of Olivetti shares. But well-placed financial sources indicated that the idea of a share purchase was being explored.

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Muzammil Pasha/Reuters

PAKISTAN CLASHES — Mourners in Karachi clinging to a helicopter carrying Murtaza Bhutto, slain brother of the prime minister. Supporters of Mr. Bhutto chased policemen away from his home in Lakarna. Page 4.

Trailing Bosnia's Wartime Broker

By John Pomfret
Washington Post Service

VIENNA — Last September, European police backed by anti-terrorist squads raided the office here of a seemingly obscure organization, the Third World Relief Agency, headed by a one-time Sudanese diplomat named Elfatih Hassanein.

Muslim leader is said to win seat on Bosnian presidency. Page 6.

Since then, poring over several van-loads of documents, they have pieced together one of the untold stories of the Bosnian war: how Bosnia's Muslim-led government evaded a United Nations arms embargo and purchased hundreds of millions of dollars worth of black-market weapons. In the documents and in the bank accounts of the Third World Relief Agency, Austrian investigators have tracked $350 million they say flowed from Muslim governments and radical Islamic movements to Bosnia. At least half was used to purchase weapons illegally and smuggle them to the Bosnian government army, according to Western intelligence estimates.

The agency has operated several civilian projects in Bosnia since 1992, including a chicken farm, a news agency and a women's sewing collective, and has purchased some equipment for the government, including satellite telephones.

But Western officials say Mr. Hassanein, who studied medicine in Yugoslavia and set up the Third World Relief Agency in 1987, apparently turned it into the chief broker of black-market weapons deals by Bosnia's Muslim-led government and the agent of money and influence in Bosnia for Islamic movements and governments

See EMBARGO, Page 10

A Discovery Angers Flight 800 Inquiry

Investigators 'Shocked' to Find Jet Was Used in Bomb-Detection Test

By Matthew Purdy
New York Times Service

NEW YORK — Adding another twist to the search for the cause of the crash of Trans World Airlines Flight 800, federal officials now say that the 747 jetliner was used during a test of bomb-detecting dogs six weeks before the crash, which they say could possibly explain the traces of explosives found on the wreckage of the plane.

A law enforcement official involved in the inquiry said investigators were "shocked that TWA or FAA didn't know about this and that this was only found out because the FBI put out an all-points bulletin for where the plane had been."

A federal official familiar with the investigation said the fact that the jetliner was used in the test was discovered Thursday after investigators traced the whereabouts of the plane in the months before the crash.

In the test, packages containing explosives were placed on the plane for the dogs to find, the officials said, but they emphasized that it was not at all certain that the material in the packages contaminated the plane. The officials said the test packages contained the same explosives as those found by investigators after the crash.

Traces of two explosives have been detected on two pieces of wreckage from the passenger cabin, which is the strongest evidence that the plane was destroyed by a bomb or a missile. Officials said the discovery that the plane was involved in the test did not necessarily lessen the possibility that an explosive device caused the crash.

But they said the fact that the bomb tests were conducted on the plane deepened the mystery of whether the plane exploded July 17, killing the 230 people aboard, because of sabotage or mechanical failure.

In a statement, the FBI said: "As part of a routine recertification test for a dog, test packages containing explosive chemicals were placed aboard the aircraft, which could possibly relate to the trace residues previously identified. The test packages were removed from the plane at the conclusion of the exercise."

A trace of microscopic chemical, PETN, a component of plastic explosives, which was found on a piece of debris after the crash was not found in the same places where the packages were placed during the training exercise, a senior law enforcement official said.

"That could mean a lot, or it could

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Greece's Socialists Triumph In Election

Opposition Concedes; Simitis Set to Hold His Majority in Parliament

By Anne Swardson
Washington Post Service

ATHENS — Prime Minister Costas Simitis of Greece swept to victory Sunday in national elections, according to exit polls and early returns.

Mr. Simitis's Panhellenic Socialist Party, known by its Greek acronym of PASOK, had won about 42 percent of the vote in several exit polls, compared with just over 38 percent for the conservative New Democracy Party.

It was not clear how many seats the Socialists would win in the 300-seat Parliament, though it appeared it would be less than the current 170 seats that were won in 1993 under Andreas Papandreou, the longtime Socialist leader who died in June.

In a victory press conference, Mr. Simitis said the vote showed what sort of society the Greeks "want to fight for."

"It belongs to those who hope for a better tomorrow," he said.

Miltiades Evert, leader of the New Democrats, acknowledged defeat and resigned as party chief less than three hours after the polls closed.

"I take full responsibility" for the loss, he said, adding that on Monday he would begin the process to elect a new party leader.

The election also produced a strong showing for smaller parties in Greece. At least three and possibly four small parties will be represented in Parliament, compared with two now, a new standard for this traditionally two-party nation.

Mr. Simitis's victory will allow him to consolidate power in both his party and the country. He is from the economic-reform wing, not the Papandreou wing of the party, and a clear victory will make it easier for him to control dissent. Though his margin is not large, Greek electoral laws are designed to strengthen the parliamentary power of the victorious party.

New Democracy's weakness — it has governed Greece for only three years of the last 15 — was a result in part of the political staying power of Mr. Papandreou, who was elected twice in the 1980s and again in 1993, the last time despite ill health, financial scandals, a divorce and a new wife less than half his age.

He went into a hospital in November

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Yeltsin's Heart Surgery Could Be Delayed for 2 Months, Doctor Says

By David Hoffman
Washington Post Service

MOSCOW — The surgeon who is expected to perform a heart bypass operation on President Boris Yeltsin said Sunday that the operation might be postponed for up to two months because of the Russian president's condition.

Dr. Renat Akchurin, who has been selected by Mr. Yeltsin to lead the team if he undergoes heart surgery, again repeated the statement he made first Friday to ABC News that Mr. Yeltsin disappeared at the end of the presidential campaign in June because he suffered another bout of heart trouble.

At the time, Mr. Yeltsin's subordinates said he had a cold and lost his voice. They did not acknowledge before or after the July 3 run-off vote, in which Mr. Yeltsin was re-elected to a second term, that he had suffered heart trouble.

Dr. Akchurin said Mr. Yeltsin's heart problems in June were related to personal stress, his cold and traveling. He suggested that Mr. Yeltsin did not suffer a serious heart attack then.

But he said the president needed time to recover fully from the attack before surgery could proceed. "It is necessary to observe a period of recuperation so that the person will be ready," Dr. Akchurin said, "and so that we may be able to say yes, we will conduct the operation but with minimal risks."

Dr. Akchurin spoke in an interview with the Russian commercial television network, NTV.

Mr. Yeltsin announced Sept. 5 that he would undergo heart surgery near the end of the month, and he has been hospitalized for more than a week for preparatory tests.

The president has already signed a decree transferring power to Prime Minister Viktor Chernomyrdin if he undergoes surgery. A two-month delay before the operation, however, could further shake up the Russian political elite, where a battle has already broken out for the mantle to succeed Mr. Yeltsin.

A group of heart specialists, including Dr. Akchurin and Dr. Michael DeBakey from the United States, are to convene in Moscow on Wednesday to discuss Mr. Yeltsin's case.

Dr. Akchurin said "an earlier operation would carry higher risks."

He added: "We're considering an operation in one and a half to two months time. It is a heavy operation which awaits the president." Mr. Yeltsin suffers from a blockage to vessels that bring blood to the heart muscle.

Dr. Akchurin said in an interview last week that Mr. Yeltsin had personally put off surgery for a year because of his heavy workload, including the re-election campaign. When he saw the president two or three weeks ago, Dr. Akchurin said, "It did not give me particular reasons to be pleased."

He added that Mr. Yeltsin was "hunting and all, doing things not very desirable for sick persons, things which were after all threats to his health."

Asked if it was possible the operation would be called off, Dr. Akchurin said, "Yes, there is such a scenario, although it would require the patient agreeing to certain conditions which would require a diminution of his level of activity, and these conditions, as far as I have been given the opportunity to know, the president will not tolerate."

Concerning the prospects of success for the surgery, Dr. Akchurin said patients with "heavily sick functions" of the heart, favorable results "reach 90 percent."

He added, "In 85 to 90 percent of such cases, we are able to save patients."

The Princess Vanishes as Japan Awaits an Heir

By Sheryl WuDunn
New York Times Service

TOKYO — The train carrying Japan's most famous young couple chugged into the station recently, and out came Princess Masako, all charm and elegance in a pale-green suit, waving to her picture-snapping fans and walking briskly, two steps behind Crown Prince Narahito.

That is almost the only kind of public appearance that Princess Masako makes these days — a quick swish from a train to a car, en route to a hospital or charity — for she has virtually disappeared since her marriage three years ago. After a wedding that captivated this country, a union filled with the promise of imperial renaissance, these days there is only silence.

Before she married, Masako Owada was the symbol of the new Japanese career woman, an attractive Harvard-educated diplomat in the Foreign Ministry, moving with professional ease in five foreign languages.

She was the second commoner ever to marry into the imperial family. Many in this nation brimmed with the hope that she could help update the Chrysanthemum throne, ushering into the modern age a dynasty that is the world's oldest and is shrouded in pageantry and tradition.

Now, Masako-san, as she is often called, has not only virtually vanished from sight, but is also measured by a standard that is thousands of years old: her ability to bear a son.

For the couple, producing an heir is a weighty responsibility. The emperor, Akihito, is said to be the 125th direct descendant in an imperial dynasty that reaches back 26 centuries — although these claims reflect the triumph of faith over scholarship.

But without a son in sight, people are openly discussing the succession. After Akihito, the throne goes to the crown prince, but if he dies without leaving a son, it will go to his younger brother, Prince Akishino. Akishino, however, has only two daughters now; after him, there is no male descendant.

So Japanese imperial-watchers are debating the possibility of the throne going to a daughter. After all, the dyn-

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Kyodo News/Reuters

Masako, Japan's crown princess, was a career diplomat before marrying.

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,800 CFA	Qatar	10.00 Riels
Egypt	E£ 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Perry Foresees Gulf Pullback

STOCKHOLM (Reuters) — The United States may decide in the coming week to remove one of its two aircraft carriers from the Gulf because Iraq appears to be backing away from a confrontation with Washington, Defense Secretary William Perry said Sunday.

"All of the evidence that I have seen in the last four or five days is positive," he said, adding that a decision would be made next week on whether to return the carrier Carl Vinson to the United States on normal rotation in October, leaving only the carrier Enterprise in the Gulf. "I truly believe that Iraq is backing off of the threatening actions they were taking a week ago," he said.

A Nod to Saddam From a U.S. Ally

Turkey, in a departure from U.S. policy, has indicated that it would welcome efforts by President Saddam Hussein to help it curb a troublesome movement by separatist Kurds operating from northern Iraq. Foreign Minister Tansu Ciller said that Turkey had sent a delegation to the Iraqi leader "to tell him that if he can impose central authority there, O.K." (Page 6)

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Parties Agree on Debates

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Thai Prime Minister Resigns

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Denial and Taboo / **Fighting a Lax Health Policy**

India and AIDS: An Epidemic Born at the Dusty Crossroads

By John F. Burns
New York Times Service

PETRAPOLE, India — The giant tamarind trees spread a lush umbrella across the highway here, 125 kilometers from Calcutta on the main road between India and Bangladesh. The shade is the only forgiving thing about Petrapole, where grimy trucks stretch fender to fender for kilometers, often waiting a week or more before moving across the Broken Boat River to Bangladesh.

Thousands of drivers, helpers and hawkers mill about in a vast encampment, in a chaos symptomatic of inefficiencies that have helped to keep India among the world's poorest countries. But there is something here more threatening to India's future than narrow, rutted roadways, entangling paperwork and customs officers exacting bribes from drivers impatient to move on.

The threat comes from AIDS. India's 5 million truck drivers are at the center of an expected explosion of the disease among its 970 million people.

At Petrapole, where drivers have little to do, it is common for a man to buy sex every day, sometimes several times a day, from local women and teenage girls, for as little as 10 rupees (about 28 cents). The couples, many of whom meet in truck cabs and roadside bushes, rarely use condoms.

From surveys at places like Petrapole — and among high-risk groups like prostitutes, intravenous-drug users and recipients of blood transfusions — United Nations agencies dealing with AIDS have concluded that India will become the world center of the disease by the end of the century. By then, the United Nations estimates indicate, a million Indians will be sick with AIDS, and as many as 10 million will be infected with HIV, the virus that causes it. A quarter of all the projected infections worldwide will be in India.

Some Indian experts paint a still grimmer picture, saying that the number of their countrymen infected could rise to 20 million, or even 50 million, by the end of the century and that AIDS patients will outnumber hospital beds.

"We are working on a very, very thin edge, against overwhelming odds," said Dr. Smarajit Jana, an epidemiologist at the All-India Institute of Hygiene and Public Health in Calcutta.

Dr. Jana, 43, founded what Western specialists say is one of the few effective AIDS control programs in India, one that employs prostitutes to promote condom use in Calcutta's red-light districts. But instead of acclaim, he said, he has met mainly with hostility from people who resent his working among prostitutes, a group traditionally despised in India's caste-bound society.

"In our society," Dr. Jana said, "sex workers are viewed as bad girls, so if somebody exploits them, that is not something bad, but quite natural."

He said such attitudes were prevalent even among professional people who might be expected to support AIDS control programs.

"Sometimes," he added, "doctors are the worst. They ask me: 'Why do you go in for this nonsense? Why don't you do your proper work?' So you can see, what we are fighting here is not just a medical battle, it is a battle against inequality and injustice."

With such attitudes widespread, India has shown little inclination to make the AIDS threat a national priority. In part, this may be because many Indians, hearing of the relatively few identified as HIV carriers or AIDS sufferers in scattered testing so far, find it easy to dismiss warnings as scaremongering.

According to the National AIDS Control Organization, the government agency set up to coordinate AIDS programs, 45,866 people out of 2.8 million tested up to July of this year, or 1.6 percent, were carrying the human immunodeficiency virus, and 2,639 people had AIDS.

Most testing was performed among such high-risk groups as truck drivers and prostitutes. But the surveys have also covered "sentinel" groups, including pregnant women and housewives, among whom the rising incidence of infection is taken as a pointer to the spread of infection generally.

USING THESE figures, many Indian politicians and other opinion makers have argued that the priority in government health spending should go to such diseases as malaria and tuberculosis, which kill tens of thousands of Indians every year. Among these opponents of AIDS spending are nationalists reluctant to acknowledge that India could become the focus of a disease linked to sexual practices and drug use.

Critics of AIDS spending also note that even if 10 million people carried HIV by the end of the century, they would amount to about 1 percent of India's population, a smaller proportion than in some African countries, for example.

These arguments have helped demoralize the national AIDS program, which Western and Indian specialists describe as underfinanced, disorganized and weighed down by red tape. With less than six-tenths of 1 percent of the government's $50 billion annual budget going to health care, money for AIDS control is scarce. And outside of a few research centers and private clinics, there are no AIDS drugs like AZT available to help those infected with HIV.

AIDS programs in India largely boil down to advising people how AIDS is contracted, encouraging blood tests and handing out condoms. Special care centers for AIDS sufferers, or hospices that might allow them to die with dignity, are virtually unknown. As a result, for many AIDS sufferers, the miseries of death are compounded.

The seriousness of the AIDS problem among Indian truckers can be gauged from discussions with them and their ride-along helpers, who drop into the bamboo-roofed shelter that Dr. Rao has set up beside the road at Petrapole.

From interviews, shelter workers have concluded that the drivers have an average of 150 to 200 sexual encounters a year with women and with girls, some as young as 12, who hang gaily colored saris from roadside trees to advertise their availability. In an area where there are far too many people to live off the land, a single sex act can earn a woman enough to feed her family for a day.

Echoing the role that long-distance truck drivers played in spreading AIDS in East and Central Africa in the 1980s, Indian drivers, moving along the country's 20,000 miles of truck routes, carry infection with them, exposing their wives and, through them, future children. Infection travels from big cities like Bombay, Calcutta, New Delhi and Madras to the towns and villages where three-quarters of all Indians live.

A 1993 survey at a truck stop outside Calcutta showed that more than 7 percent of tested truckers were infected, which put HIV infection at 10 times the rate then current among the Indian population. With rates of infection among other high-risk groups doubling every 12 to 18 months, experts say the current rate among truckers may be 30 percent.

HIV infection rates among truckers, while daunting, are not the worst. In a 1992 survey in Bombay, 86 percent of commercial blood donors tested HIV-positive. This is a vast group in India, where half of all blood used in transfusions is bought from poor people.

Although government policy requires hospitals and blood banks to test blood for HIV infection, surveys show that at least 30 percent of all blood used is not tested, and that this may account for as many as 12 percent of HIV infections.

In Manipur, a state in India's far northeast close to Myanmar, Laos and Thailand, which produce much of the world's heroin, HIV infection rates among drug users soared to 54 percent within six months of the discovery of HIV in the state in 1989.

But it is in the red-light districts of the big cities that the problem is most severe. Bombay has an estimated 100,000 prostitutes, many of them sold as children into the servitude of the organized criminals who control the sex trade. From then, for as many years as they can work, they spend their days in zoolike cages, if they do not die, escape or get sold on into sex slavery in the Gulf, where Indian girls attract high prices. Surveys in Bombay showed that HIV rates among the "cage girls" shot up to 52 percent in 1994, from 2 percent in 1988.

Perhaps most ominous, HIV appears to be leaping out of the red-light districts, drug dens and truck parks into the homes of Indians in low-risk groups. In Bombay, surveys have begun to show an incidence of HIV infection among housewives who say they have had sex with nobody but their husbands.

Australia Rock Markings Reset Dawn of Human Art

Circles on Sandstone Are 75,000 Years Old

By John Noble Wilford
New York Times Service

Out in the remote tropics of northwestern Australia, where a 130-foot-high sandstone monolith rises starkly above the wooded plains, archaeologists say they have found the rock face and many surrounding boulders engraved with thousands of circles, the work of people 75,000 years ago. It is by far the earliest known sign of artistic behavior, more than twice the age of any European cave painting and at least 15,000 years older than any previous Australian rock art.

Digging deeper at the base of the stone monolith, the archaeologists made what may be an even more stunning discovery: red ocher and stone artifacts of an age that could triple the time people have occupied Australia, from about 60,000 years to 116,000 years and perhaps as much as 176,000 years.

These findings, if the dates are confirmed by further analysis, are expected to have a reverberating influence on the study of the origins of human creativity. Scholars have long identified cave and rock art as a defining characteristic of modern Homo sapiens, one of the cultural manifestations possibly reflecting the last transitions of the species to fully modern form.

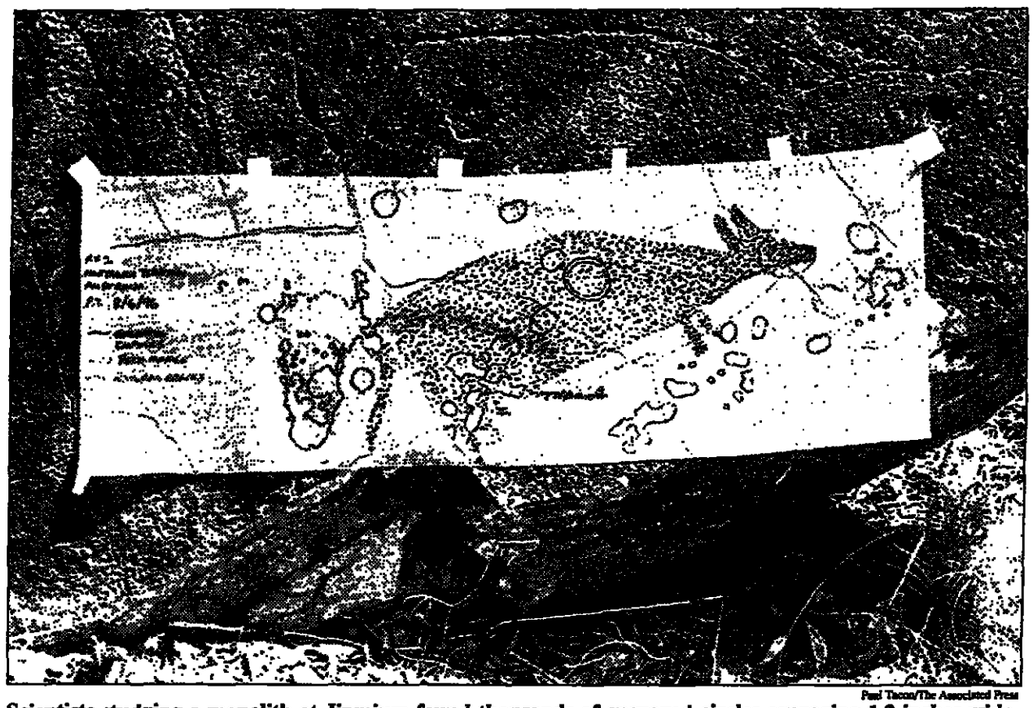
But the new dates suggest that modern humans might not have been able to migrate to Australia early enough to be these artists. Could it be that in some rare cases, artistic expression began before modern Homo sapiens? Perhaps the first occupants of Australia were an archaic human species, though fully modern Homo sapiens appeared there later and nothing in the new findings, scientists said, changes the identification of today's aborigines as Homo sapiens.

One of the discoverers of the stone engravings, Richard Fullagar of the Australian Museum in Sydney, was quoted in the Saturday edition of the Sydney Morning Herald as saying, "It changes enormously the way we think about Australian prehistory."

Alan Thorne, an anthropologist at the Australian National University in Canberra, said there was no reason why people could not have arrived on the island continent much earlier than previously thought.

But he and other specialists in human origins advised caution in drawing any conclusions yet as to whether, because of the evidence for much earlier occupation, the first Australians were fully modern or an archaic human species. One of the leading theories holds that modern Homo sapiens arose in Africa 100,000 to 150,000 years ago and then spread to the rest of the world.

A full scientific report on the research is to be published in the December issue of Antiquity, a British archaeology journal, which made the paper available Friday. The Sydney Morning Herald published an extensive report on the exploration site, which is at a place the local aborigines call Jinmium. It is in the Northern Territory, near the border with the state of Western Australia and the town of Kununurra.



Paul Tacon/The Associated Press

Scientists studying a monolith at Jinmium found thousands of engraved circles averaging 1.2 inches wide. They believe the circles are much older that the rock art at the site, shown here, depicting various animals.

In explorations since 1987, Mr. Fullagar and colleagues recognized that the stone engravings at Jinmium were different from and probably older than the rock art, with colorful drawings of crocodiles, kangaroos and spirit figures, found scattered elsewhere through the northern tier of Australia. The strange circles, averaging 1.2 inches wide, were carved everywhere on the rock walls, even to depths of 5 feet buried in sediment. Each circle was described as being so perfectly formed that none varied in size or depth by more than a few millimeters.

In the Sydney Morning Herald article, Paul Tacon, an archaeologist at the Australian Museum, called this "a completely new form of art" and said, "I am 100 percent sure that there's no possible way these marks are not human in origin."

Mr. Tacon compared the monolith and other huge stone blocks to Stonehenge in England. "Here we have something comparable in that a cultural group sculpted large monoliths across an equally large area," he said.

On one small patch of rock wall, the newspaper reported, the scientists counted 3,500 of these circles. On another rock face a few feet away, 3,200 more circles were carved. The archaeologists calculated that each of the circles would take at least an hour to complete. If one person worked for eight hours each day, the entire display would have taken nearly 900 days to complete.

In a society where every day must have been a struggle for survival, Mr. Fullagar said, the task must have been one of enormous cultural importance.

"It's perfectly possible to have art this old," said Randall White, an anthropologist at New York University who specializes in Palaeolithic art. "But those dates have to be really solid before we should start drawing major conclusions."

Writing for Antiquity, Mr. Fullagar, Donald Price and Lesley Head, both of the School of Geosciences at the University of Wollongong, near Sydney, said their evidence at the site showed human occupation in northwestern Australia prior to 116,000 years, plus or minus 12,000 years, with "artistic activity inferred from ochre dating between 75,000 and 116,000 years."

Until recently, it had been thought that Australia was settled by modern humans only 50,000 years ago, island-hopping from Southeast Asia. Last year, Rhys Jones, an archaeologist at the Australian National University, reported new findings that human beings arrived at least 60,000 years ago and presumably began painting as soon as they landed. Modern humans apparently arrived in Western Europe around 50,000 years ago, and the earliest known cave art is little more than 30,000 years old.

TRAVEL UPDATE

Oktoberfest Opens

MUNICH (AP) — The 163d annual Oktoberfest began in Munich this weekend and expects up to 7 million visitors.

Attractions for the 16-day extravaganza include carnival rides, an agricultural fair, brass bands and beer tents serving a special "Wiesnbier" brewed especially for Oktoberfest. For the first time since 1969, the price of the beer has not gone up from the year before. A liter-sized (quart) mug costs about 10 Deutsche marks ($7).

Botero in Washington

WASHINGTON (Reuters) — A huge crane has placed 18 rotund bronze sculptures by the Colombian artist Fernando Botero just steps from the White House.

The swollen human and animal figures, weighing up to two tons each, will line Constitution Avenue opposite the Washington monument until Nov. 1 in the first outdoor exhibit of Mr. Botero's work in the U.S. capital.

Rainstorms swept the French Riviera and Corsica on Sunday, flooding roads and cutting short the 24-hour Bol d'Or international motorcycle race after it was marred by falls. In Corsica, bridges were swept away and some roads were cut off around Ajaccio. *(Reuters)*

Abu Dhabi has banned hookah, or water pipe, smoking in restaurants and other public places as part of a clean-up campaign in the wealthy Gulf emirate, officials said. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Israel, Japan, Netherlands Antilles.
TUESDAY: Dominican Republic, New Caledonia, South Africa, Trinidad.
WEDNESDAY: Mozambique.
THURSDAY: South Korea, Sri Lanka.
FRIDAY: South Korea, Taiwan, Yemen.
SATURDAY: Hong Kong, Israel, Macau, South Korea, Taiwan.

Sources: J.P. Morgan, Reuters, Bloomberg

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
Warmer in the Northwest as the jet stream retreats northward. A storm system forms in the Plains during the middle of the week and brings rain and cooler conditions to the Upper Midwest. Sunny and warm over the Southeast while the Northeast experiences near normal conditions.

Europe
Cool weather will continue across most of Europe. Paris and London may have some sunshine Tuesday, but a fast-moving front will cause showers and thunderstorms Wednesday followed by strong winds and cooler air. Poland, Belarus and the Ukraine will be chilly with periods of rain.

Asia
Pleasant in Beijing with sunshine and warm afternoons. Tokyo will also be sunny and warm Tuesday, then cooler with some showers Wednesday and Thursday. Warm and humid with the chance for a shower at Hong Kong, but some heavier downpours are likely along the central coast near Xiamen.

Europe

	Today High	Today Low	Today	Tomorrow High	Tomorrow Low	Tomorrow
	C/F	C/F		C/F	C/F	
Algarve	22/71	15/59	pc	23/73	15/59	s
Amsterdam	16/61	6/46	c	16/61	7/44	s
Ankara	24/75	11/52	pc	28/84	9/48	pc
Athens	30/86	22/71	pc	28/79	17/62	s
Barcelona	17/62	11/52	pc	18/64	12/53	pc
Belgrade	24/75	12/53	pc	21/70	11/52	r
Berlin	16/61	9/48	pc	14/57	8/46	r
Brussels	14/57	8/46	r	17/62	9/48	pc
Budapest	19/66	12/53	r	18/64	8/46	c
Copenhagen	14/57	7/44	s	15/59	7/44	s
Costa Del Sol	29/71	16/61	pc	23/73	16/61	s
Dublin	16/61	12/53	s	16/61	11/52	r
Edinburgh	14/57	8/46	pc	16/61	10/50	r
Florence	21/70	12/53	c	19/66	13/53	sh
Frankfurt	17/62	7/44	pc	12/53	8/46	r
Geneva	10/50	5/41	r	11/52	6/43	r
Helsinki	12/53	4/39	pc	13/55	5/41	s
Istanbul	28/82	21/70	pc	27/80	16/61	c
Las Palmas	24/75	19/66	pc	25/77	20/68	pc
Lisbon	20/68	11/52	pc	20/68	13/55	s
London	16/61	8/46	c	17/62	10/50	c
Madrid	18/64	8/46	r	23/73	11/52	pc
Mallorca	18/61	12/53	pc	17/62	12/53	pc
Milan	13/55	14/57	t	17/62	8/46	r
Moscow	10/50	3/37	ps	13/55	6/43	s
Munich	13/55	9/48	r	12/53	5/41	r
Nice	19/66	12/53	pc	19/66	13/55	pc
Oslo	14/57	6/43	pc	14/57	6/43	s
Paris	14/57	6/43	c	18/61	7/44	pc
Prague	13/55	8/48	r	11/52	6/43	r
Reykjavik	13/55	12/53	r	12/53	9/48	r
Rome	21/70	12/53	t	20/68	12/53	pc
St. Petersburg	13/55	7/44	pc	13/55	8/46	s
Stockholm	11/52	4/39	s	12/53	6/43	s
Strasbourg	14/57	9/48	r	17/62	7/44	c
Tallinn	12/53	4/39	pc	12/53	6/43	s
Venice	21/70	14/57	sh	18/64	11/52	t
Vienna	15/59	10/50	r	14/57	7/44	r
Warsaw	14/57	9/48	r	18/61	9/48	r
Zurich	13/55	11/52	r	12/53	6/43	r

Middle East

Abu Dhabi	33/91	22/71	s	33/91	22/71	s
Beirut	27/80	19/66	s	30/86	22/71	s
Cairo	32/89	18/64	s	36/97	21/70	s
Damascus	28/82	12/53	s	33/91	15/59	s
Jerusalem	29/79	13/55	s	30/86	18/61	s
Luxor	39/102	19/61	s	41/106	19/66	s
Riyadh	39/102	22/71	s	39/100	22/71	s

North America

Anchorage	4/39	-4/28	c	6/43	1/34	r
Atlanta	32/89	19/66	s	27/80	14/57	pc
Boston	18/61	8/48	r	18/64	8/46	pc
Chicago	21/70	11/52	c	17/62	7/44	pc
Dallas	34/93	19/66	t	28/82	17/62	pc
Denver	19/66	6/43	s	25/77	8/46	pc
Detroit	21/70	11/52	pc	17/62	7/44	pc
Honolulu	31/88	23/73	pc	33/91	24/75	pc
Houston	34/93	20/68	s	32/89	19/66	pc
Los Angeles	25/82	17/62	s	28/82	17/62	pc
Miami	30/89	23/73	pc	31/88	23/73	pc
Minneapolis	19/66	6/43	sh	17/62	6/43	pc
Montreal	12/53	7/44	s	14/57	6/43	pc
Nassau	32/89	24/75	pc	32/89	24/75	pc
New York	21/70	13/55	sh	21/70	12/53	pc
Orlando	32/89	19/66	s	30/86	21/70	s
Phoenix	39/97	33/73	s	37/99	29/73	s
San Fran.	23/73	12/53	s	22/71	12/53	pc
Seattle	20/68	9/48	pc	19/64	9/48	pc
Toronto	17/62	5/41	pc	16/61	3/37	pc
Vancouver	19/61	8/46	pc	16/61	6/46	pc
Washington	27/80	16/60	pc	22/71	13/55	pc

Asia

	Today High	Today Low	Today	Tomorrow High	Tomorrow Low	Tomorrow
	C/F	C/F		C/F	C/F	
Bali	32/89	20/68	s	31/88	19/66	s
Bangkok	30/86	26/79	r	31/88	24/75	r
Beijing	33/91	19/66	s	30/86	19/64	pc
Bombay	29/84	23/73	c	31/88	24/75	pc
Calcutta	32/89	25/77	pc	32/89	24/75	pc
Chiang Mai	31/88	24/75	r	31/88	23/73	r
Colombo	29/82	24/75	t	28/82	24/75	sh
Hanoi	31/88	27/80	sh	33/91	26/79	r
Ho Chi Minh	32/89	24/75	r	29/84	26/79	r
Hong Kong	28/82	26/79	sh	29/84	25/77	r
Islamabad	42/107	23/73	s	41/106	23/73	s
Jakarta	30/91	23/73	pc	32/89	23/73	pc
Karachi	32/89	22/71	s	32/89	22/71	s
K. Lumpur	33/91	24/75	c	32/89	23/73	c
K. Kinabalu	31/88	22/71	c	30/86	22/71	t
Manila	31/88	23/73	t	31/88	23/73	c
New Delhi	39/102	25/77	s	37/99	25/77	s
Phnom Penh	30/86	24/75	t	31/88	24/75	c
Phuket	30/86	26/79	r	31/88	24/75	r
Rangoon	29/84	26/79	r	31/88	23/73	r
Seoul	27/80	14/57	pc	27/80	14/57	s
Shanghai	27/80	19/66	pc	27/80	19/66	pc
Singapore	32/89	23/73	c	31/88	23/73	t
Taipei	27/80	24/75	t	28/84	23/73	c
Tokyo	25/77	15/59	pc	26/79	15/59	pc
Vientiane	31/88	26/79	sh	30/86	27/80	r

Africa

Algiers	22/71	14/57	pc	25/77	14/57	pc
Cape Town	27/80	11/52	s	19/66	6/43	pc
Casablanca	21/70	14/57	s	22/71	16/61	pc
Harare	23/73	13/55	r	27/80	12/53	c
Lagos	28/82	22/71	ps	28/82	22/71	ps
Nairobi	29/84	9/48	ps	29/84	11/52	s
Tunis	25/77	14/57	pc	24/75	15/59	pc

Latin America

Buenos Aires	18/64	4/39	pc	14/57	6/43	pc
Caracas	32/89	25/78	c	33/91	25/78	pc
Lima	19/66	14/57	c	20/68	14/57	t
Mexico City	26/77	13/55	pc	24/75	13/55	ps
Rio de Janeiro	31/88	21/70	s	29/84	20/68	pc
Santiago	19/66	2/35	s	17/62	1/34	pc

Oceania

Auckland	18/64	12/53	pc	19/66	12/53	pc
Sydney	20/79	14/57	s	24/75	12/53	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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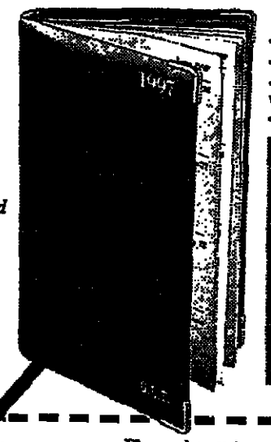
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THE AMERICAS

2 Clinton-Dole Debates Scheduled

By Neil A. Lewis
New York Times Service

WASHINGTON — President Bill Clinton and Bob Dole have agreed through their negotiators that they will meet each other for two televised debates in October and that Ross Perot will not be invited to either.

The first debate is set for Oct. 6 in Hartford, Connecticut, where Mr. Clinton and Mr. Dole will face each other with a single moderator presiding. Their second debate is scheduled for Oct. 16 in San Diego, to be conducted in a "town hall" format in which the candidates will field questions from an audience.

Most of the conditions agreed upon were those sought by the White House. In exchange for those concessions, the Clinton negotiators dropped their insistence that Mr. Perot, the Reform Party's candidate, be included in at least one debate. In effect, the Clinton negotiators used Mr. Dole's deep aversion to including Mr. Perot as leverage to gain a variety of conditions deemed favorable to the president.

Vice President Al Gore and Jack Kemp, the Republican vice presidential nominee, are to meet in St. Petersburg, Florida, on Oct. 9 before a single moderator. All three debates are to last 90 minutes.

Mr. Perot said through a spokesman that he was disappointed in Saturday's developments. He is planning to file a lawsuit in federal district court on Monday challenging his exclusion and is also trying to buy time on the television networks immediately after the debates.

With Mr. Dole trailing badly in voter preference polls with less than two months to go, his campaign aides have viewed the debates as a good opportunity to close the gap. The inclusion of Mr. Perot, they believed, would dilute the confrontation and lessen the chance that Mr. Dole could chip away at Mr. Clinton's standing. Commerce Secretary Mickey Kantor, Mr. Clinton's chief negotiator, said the president had instructed him to concede on that issue so that the debates could go forward.



Sam Mircovich/Reuters

HE'S BACK — O. J. Simpson heading into court for the first time in the civil trial over his wife's murder.

Away From Politics

• **After nearly two months** of work on the Atlanta Olympics bombing, federal law enforcement officials say they have found no solid evidence linking a former security guard, Richard Jewell, to the pipe bomb attack. Officials acknowledged that no one was likely to be charged soon for the July 27 bombing that left two people dead. *(WP)*

• **A federal judge** has ruled that California prisons must comply with the Americans With Disabilities Act, a decision that could force the state to provide inmates with better wheelchair access, interpreters for the deaf and possibly special education for inmates with learning disabilities. The ruling is the most far-reaching application to date of the 1990 federal law on a state prison system, lawyers for the state and prisoners said. The eventual cost is disputed, but the state Department of Corrections estimates it could be more than $50 million. *(LAT)*

• **The nine space travelers** aboard the orbiting Atlantis-Mir complex worked to finish moving 3 tons of food, water and supplies between the two spacecraft. The U.S. and Russian crews had transferred about 90 percent of the materials by Sunday, one day before the space shuttle is to separate from the Russian space station to bring home Shannon Lucid from six months aloft. *(AP)*

• **An Alabama bridge** that had been closed for three years because of safety problems collapsed, killing two state workers who were trying to dismantle the structure. The Old Kowaliga Bridge, in Eclectic, was replaced with a new span in 1971 and converted into a fishing pier. *(AP)*

ELECTION NOTES

Marriage Bill Signed at Midnight

WASHINGTON — President Bill Clinton waited until the dead of night to sign legislation aimed at preventing gay marriages, timing his action to minimize public attention and contain any political damage just 45 days before the election.

There was no surprise in Mr. Clinton's approval of the Republican-sponsored measure, for he had previously announced his intentions. But the unusual move of waiting until 12:50 A.M. Saturday to put pen to parchment spoke volumes about the electoral consequences.

For Mr. Clinton, the first president to openly court gay voters and embrace their agenda, the bill posed a dilemma. On the one hand, he did not want Republicans to maneuver him out of the mainstream at a time when polls show that the public does not sanction same-sex weddings. On the other, he hoped to avoid exacerbating bitterness in the gay community, which considers his signature a betrayal.

The delicate balance Mr. Clinton tried to achieve was reflected in his dual message: Even as he signed the bill, the White House scorned it as a divisive Republican ploy and called for passage of legislation ensuring gay rights in the workplace.

"He did it at midnight because that's when it deserved to be signed," said the deputy press secretary, Mary Ellen Glynn. "The reasons the bill was brought to a vote were dubious." *(WP)*

Dole's Electoral Map to Victory?

WASHINGTON — Bob Dole plans a stepped-up media attack on President Bill Clinton's record on drugs, taxes and ethics as part of a plan that his advisers hope will undermine the president's solid approval ratings and ultimately give the Republican nominee a razor-thin victory in the Electoral College.

Faced with dwindling prospects in many key states, Mr. Dole's team has begun to make tough decisions about where to target the campaign's resources. The moves are based on an electoral strategy that requires the Republican nominee to carry 29 states — but not such battlegrounds as California, Illinois, Pennsylvania or New Jersey — to win the election.

Mr. Dole's advisers are trying to fight off concerns within the Republican Party that Mr. Clinton's big lead not only makes Mr. Dole's chances of winning difficult, but also that a presidential landslide would threaten Republican control of the House and Senate.

The long odds facing Mr. Dole are underscored not only by national polls showing Mr. Clinton's lead still generally in double digits, but also by the reality that the president now leads in roughly half of the states Mr. Dole must win under his advisers' most current electoral map scenario.

Mr. Clinton's campaign, having studied the same electoral maps, is attempting to lock down many of those key states in a strategy to block Mr. Dole's route to victory. *(WP)*

Quote / Unquote

Kevin P. Mack, executive director of the national Democratic legislative committee, on the battle by his party to regain control of a majority of state legislatures: "Last election, Democrats stayed home and swing voters voted overwhelmingly Republican. This time could be the reverse." *(NYT)*

Male Bastion Cracks Door for Women

By Donald P. Baker
Washington Post Service

LEXINGTON, Virginia — A deeply divided board of the Virginia Military Institute, forced to act by the U.S. Supreme Court, has voted to end 157 years as an all-male academy and to admit women in 1997. The vote was 9 to 8.

By the same vote, the board rejected a proposal, widely supported by the school's alumni, to exclude women by giving up state support and becoming a private institution.

The chairman of the Board of Visitors, William W. Berry, a 1954 graduate of VMI and a retired Richmond utility executive, said admissions information would be sent immediately to about 80 women who have inquired about enrolling.

"This is not a decision that we made easily," Mr. Berry said, "but we shall welcome the women who come here ready to meet the rigorous challenges that produce the nation's finest citizen-soldiers."

The VMI experience for women will be much the same as it has been for men, school officials promised. Female cadets will get crew cuts, will endure the taunts and face-to-face inquisitions from upperclassmen as they stand on the fabled "Rat Line" and will live in barracks altered only by the addition of curtains and single-sex bathrooms.

The votes on Saturday signaled the end of state-supported single-sex college education in the United States and left the country without a male-only military college. For Virginia, it is a fundamental change for an institution cherished by some as a bastion of male tradition and a symbol of the state's military heritage.

Starting next year, the nation's only remaining all-male colleges will be three private ones.

Last month, the country's only other state-supported military college, the Citadel, in South Carolina, enrolled four women in its first-year class. The federal military schools at Annapolis, West Point and Colorado Springs admitted women 20 years ago.

The Supreme Court ruled by 7 to 1 in June that the institute must admit women or give up its state funding.

AMERICAN TOPICS

Coeds Now Prefer Traditional Majors

Twenty years ago, female college students began surging into what long had been male-dominated majors, such as engineering, economics and computer science. But the tide is beginning to turn back, a study shows.

Today, women earn 55 percent of all bachelor's degrees but get only 16.5 percent of engineering degrees and 18 percent of physics degrees, according to a survey by a University of Pennsylvania sociologist, Jerry A. Jacobs. The number of women getting computer-science degrees has dropped — from 37 percent in 1985 to 29 percent in 1994 — after a rise.

The changes come even as educators nationwide are trying harder than ever to orient girls and young women toward careers in the sciences and engineering, reports The Boston Globe.

The explanation for the recent trend is not clear. Some women say they are discouraged by persistent sexism in fields still dominated by men. And there are those people who say that genetic differences make men better than women at engineering, for example, ignoring the fact that in such countries as Poland and Ecuador, women dominate in that field.

The explanation may be simpler. "Twenty years ago," said Elizabeth Navario, a Boston University sophomore, "women may have chosen certain fields to prove a point — that women could excel. Now people are just doing what they want to do."

Short Takes

More than a month before Halloween, the fall fright market is in full swing. Specialized shops offering masks and costumes are open in shopping malls. Theme parks offer spooky seasonal attractions. Halloween is now said to be the second-most-popular U.S. holiday, one that appeals across income levels, lifestyles and most religions. It also appeals to retailers, cynics say, who might have had to invent it if it did not exist. Americans spend $3.5 billion a year on costumes, candy and other Halloween-related merchandise, reports the Los Angeles Times. It is not clear how far the mania might spread. For many, the thought of Halloween in September is scary enough.

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Thai Chief Makes Best Of His Fate

His Vow to Resign Saves the Coalition

By Seth Mydans
New York Times Service

BANGKOK — Prime Minister Banham Silpa-Archa has capitulated after a battering in a parliamentary debate on a confidence motion and announced that he will resign within a week.

In doing so, he avoided the humiliation of being ousted by Parliament, held his six-party coalition together and retained a voice in the naming of his successor from the coalition.

In return for his promise to resign, his coalition partners joined Saturday to defeat the confidence vote by 207 to 180.

"I'm tired," said Mr. Banharn, 64, who has been under attack almost from the moment he took office 14 months ago. "I will look for the most suitable person to fill the position, who will come from among the six parties."

Jockeying for the job began well before his announcement. Defense Minister Chaovalit Yongchaiyut is most often mentioned as the leading candidate. But his party is only the second-largest in the coalition and it was not clear that he could win the support of the other parties.

If the coalition fails to agree on a replacement, the prime minister could dissolve Parliament and call new elections. Mr. Banharn's resignation comes at a time of economic problems and political discontent in Thailand and it had become increasingly likely in recent weeks that he would not be able to serve out his full four-year term.

Business leaders and economists have joined opposition politicians in calling for a more competent economic team in government to restore investor confidence and attempt to halt a slowdown in exports and a growing trade deficit.

A provincial politician who has never been embraced by Thailand's urban political elite, the prime minister was attacked last week for everything from corruption to economic mismanagement to plagiarizing his master's thesis and forging his birth records. "He has an unscrupulous character," read the Parliamentary censure motion.

His opponents accused him of packing his cabinet with unqualified cronies, of economic naïveté, of bribery, of land speculation and, in a key document produced last week in Parliament, of having been born abroad, in China, which would make him ineligible to serve as prime minister.

Mr. Banharn produced his own document to show that he had been born in Thailand.

"Nobody is perfect, nobody is 100 percent good," he said at the close of the three-day session Friday. "If you want to look for something bad in a person you can always find something in anybody."

The parliamentary session, which was broadcast on television each day from morning until late into the night, transfixed a country where many people scorn politicians.

Messy as the sessions appeared on television, many Thai commentators saw them as a step toward political maturity. As wildly unpopular as the government had become, they said, the military would surely, in the past, have staged a coup, as it has 17 times over the last 50 years.

■ Negotiations on Successor

Wrangling began in earnest Sunday as key members of the coalition government met to negotiate over who would become the new prime minister, Reuters reported from Bangkok.

"For the next six days, political negotiations will be very intense," Somjai Phagaphasvivat, political scientist at Thammasat University, said.

Mr. Banharn did not plan to join the meeting on Sunday, an official of his Thai Nation Party said. Instead, he was expected to go to his home province of Suphan Buri to rest.



Kimihiro Hoshi/Agence France-Presse

TYPHOON POUNDS TOKYO — Pedestrians struggling Sunday in a typhoon with top winds of 126 kilometers an hour that hit Tokyo. Rail traffic was halted and scores of flights were canceled. At least two people died in central Japan and 35 were injured.

Ex-Leader of India Faces Corruption Charges

Los Angeles Times

NEW DELHI — Months of unparalleled allegations of corruption in Indian politics have reached a peak as a judge ordered criminal charges brought against former Prime Minister P.V. Narasimha Rao in an influence-peddling case.

If Mr. Rao, 75, is prosecuted, it will be the first time a current or former Indian leader has been taken to court on charges of committing illegal acts while in office.

Mr. Rao, leader of the world's most populous democracy until a humiliating election debacle four months ago, protested his innocence but announced he would resign as president of the Congress (I) Party.

"During the period I was in positions of power, including that of prime minister, I have not done anything violative of law, nor have I done anything which might bring discredit to my party or to my government," he said in a statement.

Mr. Rao, who became prime minister in June 1991, launched reforms that have opened up the economy. But he also presided over what increasingly is held to be the most corrupt government in India's nearly half-century of independence. In May, the Congress Party suffered its worst-ever defeat at the polls.

Since then, allegations about corruption in high circles have dominated the headlines, many of them involving Mr. Rao.

On Saturday, a New Delhi judge, Ajit Bharihoke, ordered Mr. Rao to stand trial on charges of cheating and criminal conspiracy in a 1983 incident in which an Indian businessman, Lakhubhai Pathak, claimed to have paid $100,000 to secure a government newsprint contract but got nothing in return. Mr. Rao was foreign minister at the time.

Mr. Rao had asked the judge to cancel an order issued by another magistrate in July making him a "co-accused" in the case along with a former associate, the guru Chandraswami, who allegedly pocketed Mr. Pathak's checks. Mr. Rao said the only evidence against him was Mr. Pathak's complaint.

Judge Bharihoke said he had found prima facie evidence of the "complicity" of Mr. Rao "in the conspiracy to cheat the complainant." He ordered the former prime minister to appear in court on Sept. 30.

Mr. Rao met with officials of his party and announced he was quitting as Congress Party president "to avoid tension and confusion in the ranks." He became party president following Prime Minister Rajiv Gandhi's assassination in 1991.

Mr. Rao will tender his resignation at a meeting Monday of the Congress Working Committee and a provisional successor will be named, according to the party's general secretary, Devendra Dwivedi.

BRIEFLY

Bhutto Mourners Fight Police

LARKANA, Pakistan — Demonstrators clashed with the police on Sunday outside the house of the slain brother of Prime Minister Benazir Bhutto, Murtaza Bhutto, blocking a condolence call by President Farooq Leghari.

Witnesses said the demonstrators chased the police away as Mr. Leghari's motorcade approached the house in this city in Sindh Province, forcing the president to withdraw.

They said about 250 supporters of Murtaza Bhutto blocked the road with burning tires and chanted slogans accusing the prime minister's husband, Asif Ali Zardari, of conspiring in the death of their leader, who was killed in a shoot-out with the police in Karachi on Friday night.

A family statement carried by the official news agency APP said that Mr. Bhutto's death was part of a conspiracy against the Bhutto family and denied reports that Mrs. Bhutto or her husband were responsible.

Mr. Bhutto, 42, was shot and killed with six of his followers. *(Reuters)*

Big Turnout for Macau Vote

MACAU — Voting was brisk in the Portuguese enclave of Macau on Sunday, with a record turnout in the last legislative election under Lisbon's rule before Macau returns to China in 1999.

Preliminary figures showed that more than 60 percent of the 116,000 registered voters cast ballots for the 62 candidates contesting eight directly elected seats in the legislative assembly. Some people waited up to three hours to cast their ballots, sometimes in driving rain.

Unlike the situation in Hong Kong, China will allow Macau's legislative assembly to straddle the handover of power. The usual four-year term has been extended to five years, taking the assembly up to 2001, well beyond the 1999 handover. *(AFP)*

Taleban Said to Gain Ground

ISLAMABAD, Pakistan — Afghanistan's rebel Taleban militia said Sunday that it had captured Kunar, the last pro-government province on the eastern border with Pakistan.

Taleban sources, quoted by a private Afghan news service in Pakistan, said the Islamic militia seized the provincial capital, Asadabad, on Saturday night after heavy fighting.

The government in Kabul did not confirm the assertion. The government has suffered a series of reverses this month in eastern Afghanistan, including the fall of the strategic Nangarhar and Laghman provinces. *(Reuters)*

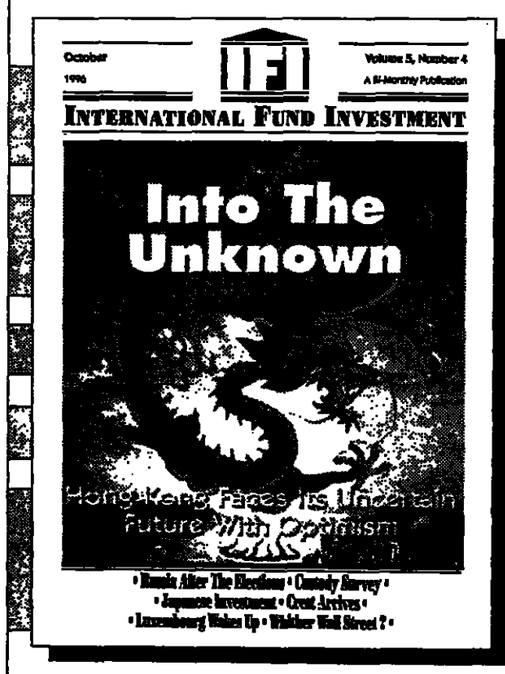
Burma Arrests 9 'Delinquents'

RANGOON — The military government has arrested nine youths for spreading "false anti-government rumors" at weekly gatherings in front of the dissident Daw Aung San Suu Kyi's residence, the official Burmese press said Sunday.

The youths were called "juvenile delinquents" by the state-run Mirror newspaper, which said they were especially active during the weekends on the street where the National League for Democracy leader and Nobel Peace Prize laureate lives.

"They have been distributing pamphlets intended to cause panic among the general public and disturb community peace, as well as to discredit the government by spreading false anti-government rumors," the newspaper said. *(AFP)*

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Smart Partnership — The New Way of Business.

The Smart Partnership philosophy achieved wide acceptance at the Second Langkawi International Dialogue (LID '96) with very positive collective attitude towards its practice.

Frank discussion and free exchange of experiences at the inaugural LID '95, led to the acceptance of the core meaning of Smart Partnership, namely that it is a cooperative alliance, not only between the business sectors in a national and international context, but also between government and the business sector and government to explore business opportunities.

Smart Partnership is based on evolving common objectives among partners for long-term mutual gains that collectively help bring about global harmony and cooperative prosperity. It is "prosper thy neighbour" at the political level and win-win situations at the business level.

At LID '96 it is clear that Smart Partnership is a new framework for governments and companies to do business in an international context. It is based on time-tested principles which have assumed greater importance because of the increasingly global nature of markets and free flow across borders of capital, technology and labour. Smart Partnership is practicable, desirable and profitable. Its simplicity and elegance provides a balance between cooperation and competition, informal and formal relationships for short and long term results.

In addition to larger and wider participation of business leaders, LID '96 was graced by the presence and participation of top political leaders, namely the Presidents of Zimbabwe, Botswana and Namibia, the Vice-President of Malawi and the Prime Minister of Cambodia, as well as both Prime Minister and Deputy Prime Minister of Malaysia. Participants also included cabinet ministers from Australia, Canada, Malta, Sri Lanka, the Philippines and Southern African countries.



President Ketumile Masire of Botswana making an observation during a Dialogue Forum at LID '96.



Malaysian Prime Minister Dr. Mahathir Mohamad (seated facing camera) moderating a Dialogue session at LID '96. With back to camera are (from left) President Masire (Botswana), President Sam Nujoma (Namibia) and Prime Minister Prince Norodom Ranariddh (Cambodia)

So much interest was raised among the Southern African participants that a Southern African International Dialogue is planned for early next year in Botswana. This Dialogue will spread the concept and practice of Smart Partnership to the African continent and to bring about networking between leaders of the region and those from other parts of the world to strenghten public-private partnership and explore business opportunities.

As for Langkawi, there will be a LID '97 at the end of July. This time around, actual Smart Partnership experiences will be shared and discussed. Kindly note the end of July in your diary to ensure your availability.

At LID '95 we sowed the seed. At LID '96 we saw how it has taken root. Now we have to nurture it so that it will grow and flourish.

We look forward to enlarging the Smart Partnership network with your participation at LID '97.

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ASIA/PACIFIC

Why Do the North Koreans Do These Things? 'This Is What They Do'

By Nicholas D. Kristof
New York Times Service

SEOUL — With North Korea seeking investments and food assistance from South Korea and Western countries, it may seem a bit odd for the North to press its case by sneaking a 325-ton submarine into South Korean waters with a boatload of armed commandos.

The quirky mission ended in spectacular failure — with 20 of the North Koreans dead so far, one captured, and thousands of South Korean troops furiously tracking a few others. Naturally, South Korea is now less likely than ever to send food or money north.

Yet analysts offer several reasons for North Korea's operation. For starters, some say, despite suffering a famine at home, North Korea still dreams of using its army to some day conquer the South, and infiltration missions are an essential part of that task.

"This is not the Love Boat, and there's no way to put a positive spin on this," said one U.S. government expert. "It's either fairly major-league sabotage, or it's preparation for invasion. I can't see any benign explanation."

Despite signs of malnutrition emerging in the North, the government there

NEWS ANALYSIS

has continued to invest enormous resources in its 1.2-million-member armed forces. Last year, the government analyst said, North Korea quadrupled its capacity to make Shark-class midget submarines, the type used last week.

The submarine, which ran aground near the east coast city of Kangnung, can carry about two dozen passengers in addition to a crew of seven. It carries four torpedoes and can be used to attack ships and lay mines, but its main role in North Korean military doctrine is said to be to infiltrate special forces behind enemy lines. Training for infiltrations goes on constantly in North Korea.

"Why?" asked a U.S. expert on North Korea's armed forces. "It's a question that everybody asks when these things happen, and the answer is simple: This is what they do. It's what they've always done, and it's what they'll continue to do as long as the regime remains in place."

Other analysts offer other explanations. The most charitable is that the North Korean leadership wanted to create more of a crisis atmosphere. This might put pressure on the United States to resolve the crisis by entering into negotiations that would lead to a peace agreement and normalized relations.

North Korea sometimes seems to feel, not altogether without reason, that it gets attention in Washington only when its misbehavior causes a crisis.

A variant of this theory is that North Korea may have wanted a crisis for domestic reasons, to divert people's minds from their stomachs.

Still another explanation, equally devoid of supporting evidence, is that hard-liners in the North Korean armed forces may be trying to sabotage an attempt by moderates to open the country up and improve ties with the South.

"We've basically been willing to improve relations with North Korea," said Moon Moo Hong, the assistant minister of unification in the South. "We're trying to look at what's happening in a broad perspective. But this incident will hardly affect relations in a positive way."

The biggest losers of this episode will be the ordinary North Koreans who are beginning to show signs of malnutrition. Almost every visitor to North Korea agrees that these people are in desperate need of emergency food assistance.

The Clinton administration has been pushing a policy of greater engagement with North Korea, designed to entice the North out of its isolation and reduce the risk of a war of desperation.

But Bob Dole has already criticized President Bill Clinton as soft on North Korea, and it is not easy to muster public enthusiasm in America for a policy of engagement with a Stalinist nation that infiltrates its neighbor's territory and — according to persistent reports — conceivably may still be holding U.S. prisoners from the Korean War.

Some administration officials argue that one reason for engaging North Korea is simply to learn more about it. Scholars know about as much about life there as about life on Mars.

The purpose of the latest infiltration also remains a mystery, despite extensive interrogation of the captured North Korean commando. The best guess among analysts is that the submarine may have planned to drop off commandos or spies for some operation, but that the mission was aborted when the submarine ran aground.

The easiest way for North Korea to get a spy into South Korea is to give him a false Japanese passport, a dark suit and a business class air ticket from Tokyo.

So analysts suggest that an aim of these exercises is to test South Korean defenses and find out whether large-scale infiltrations of armed commandos would be possible before an invasion.

To South Koreans, that is not a reassuring thought.



Kim Jae-Hwan/Agence France-Presse

South Korean soldiers on the alert near Kangnung Sunday while continuing to hunt North Korean infiltrators.

2 More Infiltrators Die in Korean Hunt

Reuters

KANGNUNG, South Korea — The South Korean armed forces said Sunday that the captain of a grounded North Korean submarine was tracked down by South Korean troops in east coast mountains on Sunday and killed in a gun battle, one of two shoot-outs during the weekend in the army's hunt for infiltrators from the submarine.

Another infiltrator, dressed in a South Korean uniform, and two soldiers died in the clashes, a Defense Ministry spokesman said here. The spokesman said that in one gun battle Saturday night, a North Korean agent and a South Korean soldier were killed. Another infiltrator and a South Korean soldier were killed in a separate fight.

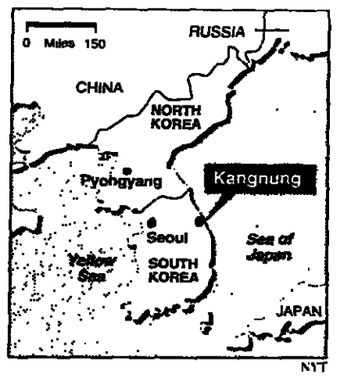
The ministry official said one of the two North Koreans to be killed was believed to be the captain of the submarine that ran aground off the coast close to the city on Wednesday, carrying an estimated 26 North Korean agents. The other, wearing a South Korean Army uniform, was identified as a guide, he said. The man believed to be the captain was dressed in civilian clothes.

The latest casualties brought to nine the number of North Koreans killed by southern forces in five days. Eleven other agents were found shot to death, possibly killed by their colleagues, and one was captured alive. A total of three South Korean soldiers have now been reported killed.

The Defense Ministry official said the North Korean submarine was being towed by South Korean naval vessels to Tonghae port, about 30 kilometers (20 miles) south of Kangnung, for further inspection.

Details of the North Korean infiltration remain confused, although the Defense Ministry believes that the agents included three elite saboteurs.

These three may have been responsible for the execution-style killings of the 11 agents on Wednesday in a ruthless attempt to improve their own chances of survival.



NYT

Time to Shift Course on Iran?

Some Experts See U.S. Isolating Itself in the Gulf

By Elaine Sciolino
New York Times Service

WASHINGTON — Unexpectedly, the crisis with Iraq has revived a debate on a taboo subject: whether, after all these years, America needs better relations with Iran in order to pursue its interests in the Gulf.

The mere existence of the debate doesn't mean that the Clinton administration can suddenly have a relationship with the country it has branded an "international outlaw" — or that it should even try.

Iran, after all, has been the Bermuda Triangle of U.S. foreign policy ever since the

NEWS ANALYSIS

ayatollahs overthrew the monarchy 17 years ago, and its officials have not signaled any serious desire to deal with Washington. Iran still supports groups and activities the United States calls terrorist, it shops for advanced nuclear technology in Europe, flouts human rights standards, retains a death decree against the novelist Salman Rushdie and opposes peace between Israel and the Palestinians.

On the other hand, Iran has not developed into the expansionist regional threat that successive administrations predicted it would become. U.S. intelligence pronouncements on Iran's vast military expenditures and the development of a nuclear weapons program have turned out to be exaggerated or at least premature.

And U.S. officials have been unable to produce enough hard evidence to convince America's friends that Iran is, as Washington claims, the world's greatest state sponsor of terrorism.

Besides, Iran, unlike some of its neighbors, seems to have a predictable political future: a clerical regime with an elected president and Parliament (however flawed its democracy by Western standards) that faces no serious internal threat.

So with America's position in the region now in question, a number of policy experts, academics and commentators have begun asking whether the United States might hope for a better way to deal with Iran. They are arguing for good old-fashioned balance-of-power diplomacy.

Iran, with its vast population, its huge oil reserves and its critical location between the Caucasus and the Arab world, has traditionally been the dominant power in the Gulf, and the recent crisis has exposed the weakness of America's links to its two closest friends in the region now, Turkey and Saudi Arabia. Politically vulnerable, both are unwilling to blindly follow Washington's lead.

This, in turn, focuses attention on the power vacuum that has existed in the region since Iraq's defeat in the 1991 Gulf War, and on the absence of a long-term strategy by the United States to insure its access to Gulf oil.

The current policy of "dual containment" (treating Iran and Iraq as if they are equal threats) bans U.S.-Iranian trade, punishes foreign companies that invest heavily in Iran's oil industry and has no support from any of America's allies except Israel.

The policy also seeks to thwart Iran's efforts, with its neighbors, to develop the vast oil and gas resources in the Caspian Sea, by barring U.S. companies from a role in any consortium that includes Iran. The question being raised now is: Is this the wisest course for the United States? Until recently, even the most subtle suggestion that the United States should consider a conciliatory course was dismissed as appeasement by U.S. officials and most experts on the Middle East.

But now the proponents of a fresh approach feel the moment has come to forcefully argue their case.

One of the most articulate is Zbigniew Brzezinski, who, as national security adviser during the Carter administration, advocated a military coup to prevent the ayatollahs from coming to power. He is now saying that America should reconsider whether Iran should once again be a counterweight to Iraq.

"I do not see any reason why we should be pursuing a policy of isolating Iran, because Iran, if we pursue hostility towards it, makes it more difficult to isolate Iraq," he said. "And we need a good strategic relationship with Iran in the longer run if we are to have not only stability in the Persian Gulf but access to central Asia, the countries further north, where there are enormous deposits of energy which will be important in the next two decades."

Others insist that while Iran needs to be contained militarily, the use of economic sanctions — a policy opposed by U.S. allies in Europe and Asia — isolates the United States more than it does Iran.

"What we are doing with our current sanctions policy is simply strengthening the radical elements that are making the United States into the devil, into the enemy, into the threat," Anthony Cordesman, a military expert on the Middle East at the Center for Strategic and International Studies, said at a Senate hearing.

Mr. Cordesman even raised again the possibility that there might be Iranian moderates with whom the United States could deal. This was an argument that the Reagan administration used — and came to regret — when it sent arms to Iran in exchange for the release of Americans held hostage in Lebanon.

The United States, Mr. Cordesman said, should try "to create a structure where the forces which I do think exist in Iran, the more moderate middle class" with "a real interest in economic change, could have an impact on a government which can remain hostile."

And The New Republic, a journal traditionally sympathetic to Israel, argued in its most recent issue that the time had come "to restore a balance of power in the Gulf, which means restoring relations with Tehran."

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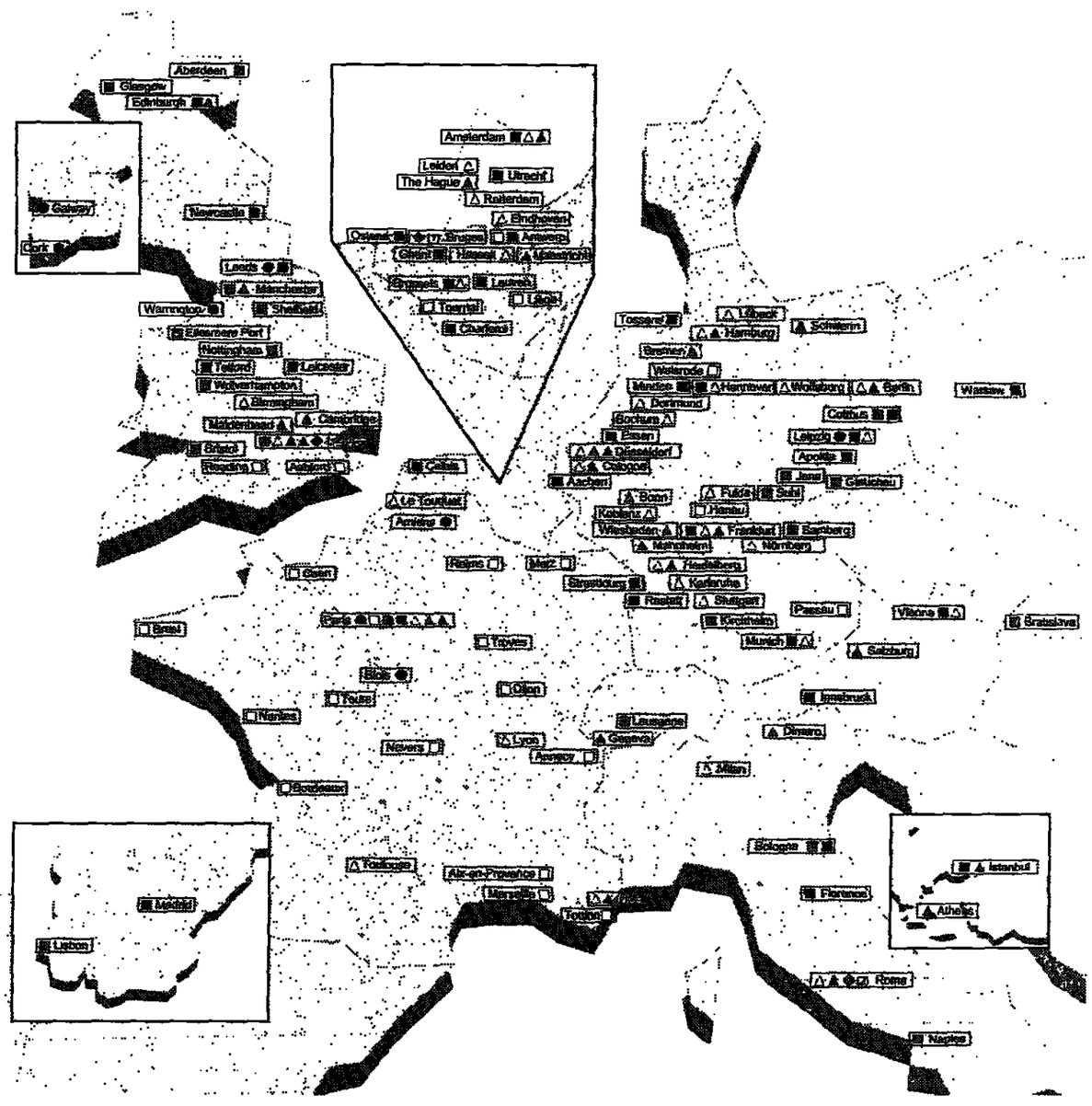
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EUROPE

Hoping to Cut Off Kurd Separatists, Turkey Looks to Saddam

By Stephen Kinzer
New York Times Service

ISTANBUL — Determined to crack down on Turkish Kurds who are waging a guerrilla war from camps in northern Iraq, Turkey is urging President Saddam Hussein of Iraq to impose his authority there.

This Turkish policy, which Foreign Minister Tansu Ciller described in an interview here, marks a departure from the policy of the United States, which seeks to limit Mr. Saddam's power.

Mrs. Ciller insisted that Turkey, a U.S. ally in the North Atlantic Treaty Organization, would continue to allow American planes enforcing the flight-exclusion zone in northern Iraq to operate from a base in Turkey. But the emerging policy differences suggest that relations between the two countries may be entering a new and possibly difficult phase in the wake of recent power shifts in northern Iraq.

Mr. Saddam's last attempt to assert authority in northern Iraq, which came three weeks ago when he sent troops there to support a local Kurdish faction's takeover of the region, led the United States to launch cruise missile attacks on military installations in southern Iraq.

Mrs. Ciller did not say whether Turkey wanted Mr. Saddam to send his own troops into northern Iraq to crush Turkish Kurds who are fighting a separatist war from bases there. No other force in Iraq, however, including Mr. Saddam's new Kurdish allies, appears to have the military power to conduct such an operation.

If Mr. Saddam's army or another powerful military force were to launch a major strike against Turkish separatist guerrillas in Iraq, the guerrillas would probably be forced to flee either into Turkey, where they would have to face the Turkish Army, or into Syria, where their leaders are based.

Mrs. Ciller said that if the Iraqi Army or some other force could chase the separatist guerrillas out of northern Iraq, Turkey would drop its plan to create a "security zone" inside Iraq.

"We have the problem that a terrorist group, the PKK, is operating from camps in northern Iraq," she said, referring to the separatist Kurdistan Workers Party. "An average of three Turkish soldiers are being killed every day by these terrorists. That is something we cannot tolerate, and to stop this infiltration, we proposed establishing a security zone in the border area."

"We have sent a delegation to Saddam to tell him that if he can impose central authority there, O.K.," she said in the interview. "We are still talking to him, and we are interested to see what he can do or is prepared to do. If he can establish a degree of rule there that puts an end to terrorist infiltration, that would be fine with us. If not, we will take measures to see that terrorists do not continue to operate on our borders. We defend the territorial integrity of Iraq, but the lack of authority there has been tragic for us."

Mrs. Ciller's remarks were greeted with dismay by senior Clinton administration officials, who said they did not reflect what Turkey had told the United States in recent meetings. "I'm a little surprised by those statements," a senior State Department official said. "This does not accord with the discussions the United States has had with Turkey. Perhaps it is Turkey's way of signaling to the United States that it has alternatives."

The official added that if it were true that Turkey was inviting Mr. Saddam to re-establish control over northern Iraq, it would "not be a welcome development" and would "make our cooperation with the Turks more difficult."

Defense Secretary William Perry met with Mrs. Ciller during his recent swing through the region, and she did not tell him of Turkey's intention to urge Mr. Hussein to reassert his authority over northern Iraq. Secretary of State Warren Christopher is to meet with her this week when they both attend the United Nations General Assembly.

On Thursday, the new Turkish prime minister, Necmettin Erbakan, broke three weeks of silence on the Iraqi crisis by asserting that he would be very happy if Kurds in northern Iraq were to reach an accord with Mr. Saddam.

"If this happens, the area would be cleared of the PKK," Mr. Erbakan told reporters in Ankara. "It would be great."

■ Greece Faults U.S. Position

Greece criticized the State Department over the weekend by asserting that it had no right to question a European Union decision to block aid to Turkey for human-rights abuses, The Associated Press reported from Athens.

"The EU exercises its own foreign policy, which is based on principles which tries to apply it correctly," the Greek Foreign Ministry said. "The U.S. does not have the right either directly or indirectly to decide on the contents of this policy."

The statement came in reply to a remark by the State Department's spokesman, Nicholas Burns, who said that the United States hoped the EU Parliament's decision would not signal a change in the relationship between Turkey and the EU.

Muslim Chief Said to Win Seat on Bosnia Presidency

Agence France-Presse

SARAJEVO, Bosnia-Herzegovina — Alija Izetbegovic, the Muslim leader, has come out ahead in Bosnia's controversial presidential elections, according to final provisional results, international polling officials said Sunday.

"Izetbegovic has come out on top as far as the vote count is concerned," said Jeff Fischer, director-general for the elections with the Organization for Security and Cooperation in Europe, which organized the poll.

The announcement was based on what Mr. Fischer called "preliminary final results" for the three-member rotating presidency, which is to comprise a Serb, a Muslim and a Croat.

Mr. Fischer said these results cleared up "speculation" that the race was still not over when the Organization for Security and Cooperation in Europe declared Saturday that many errors had been discovered in the vote counting process.

John Pomfret of The Washington Post reported earlier from Sarajevo:

When organizers of the election announced Saturday that they did not know if Mr. Izetbegovic won the top seat in Bosnia's presidency, they also said they were unsure of any of the victors because of errors in counting ballots.

Western officials said that they had strong indications that Bosnia's main Muslim party, the Party of Democratic Action, had stuffed ballot boxes, and that they had found a surplus of 30,000 votes cast just around Sarajevo, mostly by Muslims.

Problems began Friday when the International Crisis Group, which is monitoring the implementation of the Dayton peace accord, released a report alleging that more people voted in Bosnia's election than were eligible. The agency estimated the turnout in Bosnia's election at an improbable 103 percent.

The Organization for Security and Cooperation in Europe dismissed those findings, saying that they were based on an artificially low estimate of Bosnia's electorate. But at an often confusing news conference, officials of the European body acknowledged that they did not know how many people were eligible to vote. They also said an investigation determined that they did not know who had won any of the races.

On Sept. 14, voters in Bosnia chose a Muslim, a Serb and a Croat to form a three-man presidency; a national Parliament; two local Parliaments, one Serbian, one Muslim-Croat; the president of the Serbian side of Bosnia, and local governments in the Muslim-Croatian federation. Nationalist parties of Muslims, Serbs and Croats swept to victory, according to results released by the Organization for Security and Cooperation in Europe.

John Reid, special elections adviser in the organization's Bosnia mission, said that in tallying votes the group had found "numerous errors of transcription, numerous errors of addition" and "a series of problems with cases of double entry of results coming at different times from the same counting center." The mistakes could involve anywhere from a few hundred votes in one municipality to tens of thousands in others, and possibly the entire count from some areas, he added.

Despite the confusion, election organizers group announced that the municipal part of Bosnia's electoral process — postponed earlier because of massive voter registration fraud, mostly by the Serbs — would be held on Nov. 22 and extended to Nov. 23 and 24 if needed. Under new guidelines, Bosnia's voters will have to re-register during a five-to-seven-day period ending Nov. 16.



Agence France-Presse

A Bosnian Muslim woman carrying a plank on Sunday in Jusici to repair her house, destroyed and looted during the war. Serbs are allowing some 120 Muslims to return to the village from which they were expelled in 1992.

BRIEFLY EUROPE

Armenians Vote For President

YEREVAN, Armenia — Armenians, hoping for a better life after five hard years of independence, voted on Sunday in an election pitting President Levon Ter-Petrosyan against his former prime minister.

Mr. Ter-Petrosyan has led the country through a time of acute economic hardship caused partly by a protracted confrontation with neighboring Azerbaijan over its largely Armenian enclave of Nagorno-Karabakh.

Voters filed into polling stations in the capital, Yerevan, in bright sunshine. The 2.4 million electorate in the Caucasus state had until 10 P.M. to cast ballots.

Ballot papers listed four presidential candidates but only Mr. Ter-Petrosyan, running for a second and final five years in office, and Former Prime Minister Vazgen Manukyan appeared to have a realistic chance of winning.

If no candidate wins more than 50 percent of the votes, a second round runoff will be held in two weeks. *(Reuters)*

Nonnuclear East? U.S. Noncommittal

HELSINKI — The U.S. defense secretary, William Perry, has said that NATO is not ready to pledge that it will keep nuclear weapons out of East European countries that might gain membership in the alliance.

As he began a 10-day trip to Finland, Sweden, Denmark and Norway over the weekend, he was asked if he could conceive of giving Russia such a promise.

"I think NATO would want to see what's happening in the world, what's happening in Russia" first, he said aboard his flight to Helsinki. "But there is no interest and no plan in NATO today for either increasing the number, the quantity, of weapons or increasing places where they are based." *(Reuters)*

French Pondering A Racism Law

PARIS — Reacting to a political storm over a statement by the far-right politician Jean Marie Le Pen that races were inherently unequal, the Justice Ministry is reportedly proposing a law that would punish racist comments with fines and prison sentences.

Le Monde said the proposal had been submitted Friday to the National Consultative Commission on Human Rights for evaluation.

A draft says that circulation of statements "attacking the dignity, honor or reputation" of a person or group by reason of membership or nonmembership, real or supposed, in an ethnic group, nation, race or religion, would be punishable by fines of up to 300,000 francs ($60,000) and up to one year in prison, Le Monde said.

A statement that provokes discrimination, hatred or violence," it would be punishable with up to two years in prison and a 500,000 franc fine, the paper said. *(AP)*

'The Die Is Cast,' Bossi Says in North

MANTOVA, Italy — Umberto Bossi, leader of the autonomy-seeking Northern League, has declared a separate "government" for northern Italy. "The die is cast," he said Saturday, addressing about 1,000 people at a theater in this northern city. The move was the latest symbolic protest against the government in Rome. *(AP)*

The EU This Week:

International Herald Tribune

Events of interest in the European Union:

- Agriculture ministers meet Monday and Tuesday in Killarney, Ireland. Talks will focus on British decision to put off slaughter of 147,000 cattle to combat "mad-cow" disease.
- Negotiators to the intergovernmental conference on EU reform meet Monday and Tuesday in Brussels. Key issue: whether to include an employment clause in the Union treaty, which is favored by Scandinavian countries but opposed by Germany and Britain.
- Trade Commissioner Sir Leon Brittan, meets from Thursday to Saturday with trade ministers of the United States, Japan and Canada in Seattle. Key issues: whether to introduce labor standards in the World Trade Organization, which the U.S. and most EU countries favor but Japan and Canada oppose; U.S. and Japan to press EU to support phasing-out of tariffs on information technology.
- Telecommunications ministers meet Friday in Brussels. Talks to cover proposed directives regulating interconnection charges that existing telephone monopolies can impose on future competitors, and requiring that major telephone operators provide basic phone service to all customers at affordable prices.

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Heroin Cache Is Found on Samper Plane

Agence France-Presse

BOGOTA — A large cache of heroin was found aboard President Ernesto Samper's plane just before he was to leave for a United Nations meeting in New York.

The discovery of nearly four kilograms (eight pounds) of heroin, Mr. Samper said, was an "indignant" and "rogue" act designed to undermine Colombia's international standing.

"Whoever did this is someone who not only looked to gain from it but also wanted to sully Colombia's image," he added.

"Fortunately we were able to avert worse damage," Mr. Samper said, apparently alluding to the prospect of U.S. authorities finding the heroin upon his arrival in New York.

For over a year, Mr. Samper has been dogged by allegations that his 1994 election campaign received $6 million in illicit drug money, although he was cleared of the charges in a congressional vote.

The heroin was found after authorities received an anonymous tip, the police said. After a prosecutor ordered the presidential plane seized at the military airport in Bogota, Mr. Samper took a commercial flight to New York.

"We are watching this closely," a State Department official in Washington said Saturday, adding that the United States had no "independent confirmation" of the discovery.

Defense Minister Juan Carlos Esguerra of Colombia, speaking after an emergency meeting with the head of the air force and the national police chief, called the incident "terrible" and "embarrassing."

Colombian authorities ordered the detention of 11 air force personnel to investigate whether they had links to the drug cache.



Carlos Lascurain/Reuters

President Samper, center, attending a ceremony with Defense Minister Juan Carlos Esguerrra, left, and Commander Holdan Delgado of the army before leaving Colombia for the UN General Assembly.

U.S. Instructed Latins On Killing and Torture

Army School Evaded 'Doctrinal Controls'

By Dana Priest
Washington Post Service

WASHINGTON — U.S. Army intelligence manuals used to train Latin American military officers at an army school from 1982 to 1991 advocated executions, torture, blackmail and other forms of coercion against insurgents, according to documents made public by the Pentagon.

Used in courses at the U.S. Army's School of the Americas, the material says that to recruit and control informants, counterintelligence agents could use "fear, payment of bounties for enemy dead, beatings, false imprisonment, executions and the use of truth serum," according to a secret Defense Department summary that was compiled during a 1992 investigation of the instructional material.

The summary of the investigation — and four pages of brief, translated excerpts from the seven Spanish-language manuals — were made public on Friday night by the Defense Department, which has taken to making sensitive information available in the evenings, after the deadlines of the network television news programs.

The Army School of the Americas, long situated in Panama but moved in 1984 to Fort Benning, Georgia, has trained nearly 60,000 military and police officers from Latin America and the United States since 1946.

Over the years, however, it trained several people who became some of the region's most notorious human-rights abusers, among them Roberto D'Aubuisson, considered a leader of El Salvador's right-wing death squads in the 1970s and 80s; 19 Salvadoran soldiers linked to the murders of six Jesuit priests in 1989; Manuel Antonio Noriega, the deposed Panamanian strongman; six Peruvian officers linked to the killings of students and a professor, and Colonel Julio Roberto Alpirez, a Guatemalan Army officer implicated in the murder of an American innkeeper in Guatemala and the killing of a leftist guerrilla who was married to an American lawyer.

The Defense Department said that the school's curriculum now included mandatory human-rights training and that it was an effective way to help promote military professionalism in a region where the concept is still nascent.

"The problem was discovered in 1992, properly reported and fixed," said Lieutenant Colonel Arne Owens, a Pentagon spokesman. "There have been a lot of great changes at the School of the Americas."

When reports of the 1992 investigation surfaced this year during a congressional inquiry into the CIA's activities in Guatemala, spokesmen for the school denied that the training manuals advocated such methods, which violated army policy and the law at the time they were in use.

The 1992 investigation concluded that the inclusion of the methods was the result of bureaucratic oversight.

It was "incredible" the school "evaded the established system of doctrinal controls" since 1982, the report said, which was conducted by the office of the assistant to the secretary of defense for intelligence oversight. "Nevertheless, we could find no evidence that this was a deliberate and orchestrated attempt to violate DOD or army policies."

The manuals were compiled by army intelligence officials using "outdated instructional material without the required doctrinal approval" from the Army Intelligence School, the report said.

The material was based, in part, on training instructions used in the 1960s by the army's Foreign Intelligence Assistance Program, called "Project X."

The 1992 investigation also found that the manuals were distributed to thousands of military officers from 11 South and Central American countries where the U.S. military was heavily involved in counterinsurgency — including Guatemala, El Salvador, Honduras and Panama.

The Defense Department said that the 1992 investigators found two dozen objectionable passages among the 1,169 pages of instruction. For instance, material entitled "Handling of Sources" says: "The CI [counterintelligence] agent could cause the arrest of the employees' [informants'] parents, imprison the employee or give him a beating" to coerce cooperation.

On several occasions, the words "neutralization" or "neutralizing" are used, euphemisms at the time for execution or destruction, a Pentagon official said.

The material on "Terrorism and the Urban Guerrilla" says that "another function of the CI agents is recommending CI targets for neutralizing. The CI targets can include personalities, installations, organizations, documents and materials."

Examples of such targets were government officials, political leaders and "members of the infrastructure."

6 Bombs Explode In South Corsica

The Associated Press

AJACCIO, Corsica — Bombs exploded before dawn Sunday outside six post offices, in the latest attacks against government buildings on this troubled French island in the Mediterranean, the police said.

The bombs exploded across southern Corsica at post offices in Afa, Ajaccio, Cargese, Cauro, Sagone and Sartene. No injuries were reported, but the blasts caused considerable damage, the police said. There was no claim of responsibility, but suspicion fell on Corsican nationalists fighting for greater autonomy from Paris.

Since attempts at negotiations broke down in July, the island has been plagued by a nearly nightly ritual of bombings and other attacks, usually aimed at the French authorities. Violence between rival nationalist groups has also shaken Corsica for a year.

The separatists have waged a 20-year fight for wider autonomy on the island, an economically depressed vacation haven off France's southeastern coast.

U.S. Bans American Flights Over Iran

Aviation Agency Cites Threat of Anti-Aircraft Missiles on Border

By Eric Schmitt
New York Times Service

WASHINGTON — The Federal Aviation Administration has issued an emergency order barring flights by U.S. airlines over Iran because, it said, the Iranian military installed anti-aircraft missiles on the Iranian-Turkish border this month.

But other government officials immediately questioned how long the missile site had been in place and why the U.S. aviation agency announced the restrictions now.

"There's always been a surface-to-air missile site there," said a Clinton administration official familiar with Iran, "so I don't know why the FAA chose this time to issue the notice."

Before the order, United Airlines had flown a 206-passenger Boeing 767 jet over Iran on its twice-daily London-New Delhi flights. United opened the popular route last December. Two U.S. cargo carriers also fly over Iran.

Representative Benjamin Gilman, Republican of New York, who heads the House International Relations Committee, wrote the Federal Aviation Administration in July to express concern that the agency was permitting U.S. airliners to fly over Iran, even though the country has long been on the State Department's list of countries supporting terrorism.

Officials from the agency and United Airlines played down Mr. Gilman's concerns. "We have no problems with Iran," a United spokesman said earlier this year. "They have a good air-traffic control system and the controllers speak excellent English."

But the airline changed its tune when the aviation agency issued its urgent order after learning Iran had established a U.S.-made Hawk missile battery seven miles (11 kilometers) southeast of Urmia airfield, near the Turkish border.

"Increased military presence and activity adjacent to civilian air traffic corridors have increased the potential threat to civil aircraft overflying the area," David Hinson, the aviation agency's administrator, wrote in a nine-page memorandum issued Tuesday.

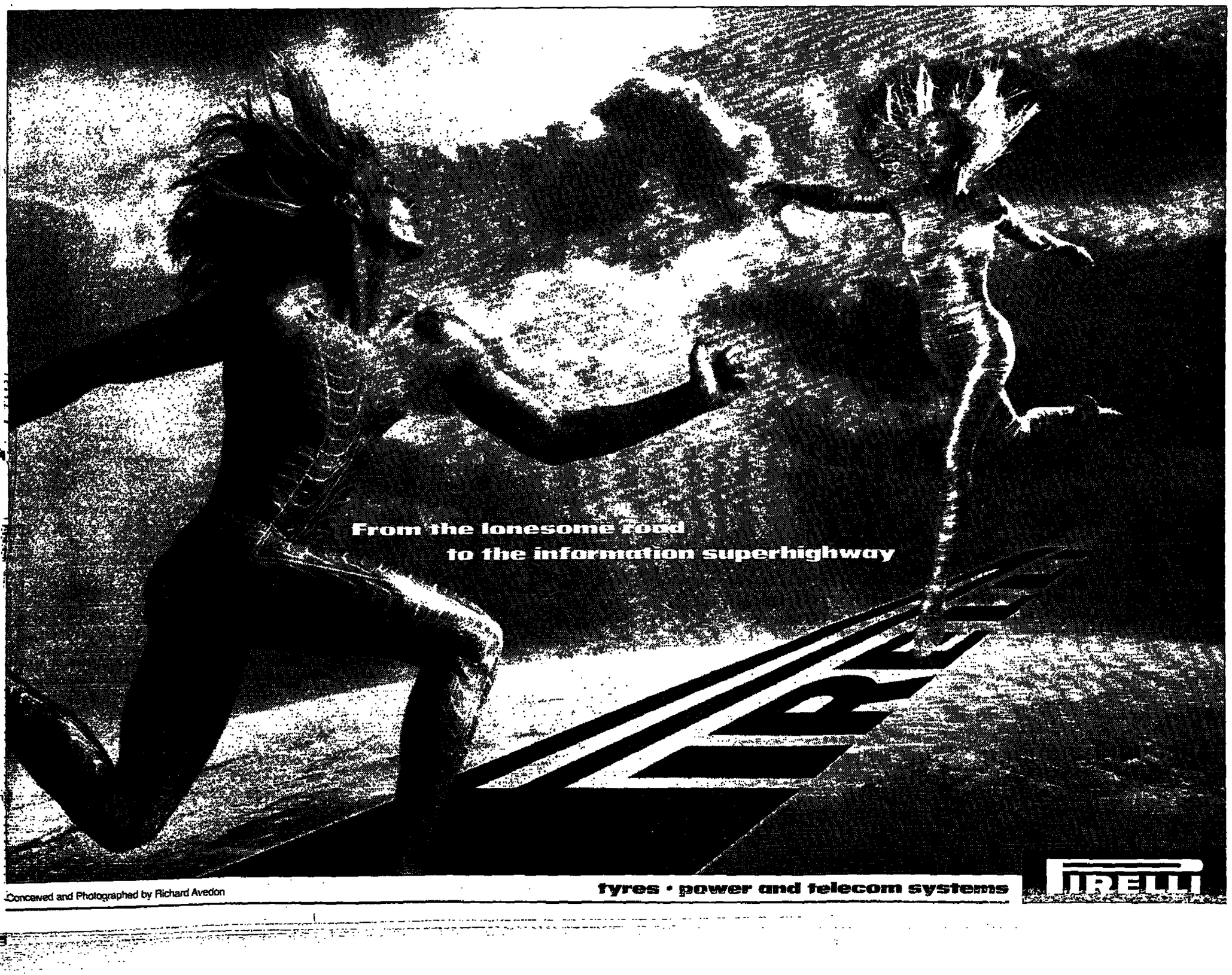
Officials familiar with the Federal Aviation Administration decision said that while components of the missile battery may have been installed some time earlier, the battery did not become operational until early this month.

But aviation agency officials insisted that the order, which took effect Tuesday, was prompted by new intelligence and had nothing to do with Mr. Gilman's complaints.

"I'm elated that the administration has reversed course and come to its senses on this ill-advised policy," Mr. Gilman said, "and has now prohibited any further overflights of Iran."

A spokesman for United, Joe Hopkins, said planes would be rerouted over Saudi Arabia to avoid flying across Iran, which would add about 65 minutes to the nine-hour flight.

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Herald INTERNATIONAL Tribune
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Why Raise Rates?

The U.S. Federal Reserve Board is coming under enormous pressure to raise interest rates when it meets Tuesday. It should resist. The economy is performing better than nearly any economist would have predicted. Yet there is barely a whiff of the dreaded monster, inflation, that the Fed is responsible for slaying. The only supposedly "troubling" sign is that wages have begun to outstrip prices — but that is actually a wondrous turnaround after decades of wage stagnation. Before the Fed clamps down, it ought to have a better reason than that workers are, finally, enjoying fatter paychecks.

Many on Wall Street, and most of the presidents of the regional Fed banks, are pushing for a rate hike as a preventive strike against inflation. But the wiser course is to watch and wait.

If, over the next few months, unemployment continues to fall without nudging up inflation, then the Fed will have learned an invaluable lesson about how good the economy can get. If, however, prices begin to creep up, then the Fed can clamp down and prove yet again, as if anyone were in doubt, that its chairman, Alan Greenspan, will not tarnish his nine-year reign by permitting higher inflation to grab hold.

Tuesday's meeting has drawn exaggerated attention, especially by supporters of President Bill Clinton, because it is the last before elections. But even if the Fed were to raise interest rates by modest amounts, the economy would barely slow, and only long after November. The feared impact of a Fed hike of short-term rates — the only ones it controls — on mortgage and other important long-term rates is also misplaced. A Fed decision to raise short-term rates would signal Wall Street that it intends to bring inflation lower. An expectation of lower inflation could bring long-term rates — part of which compensates lenders for future inflation — down.

The Fed under Mr. Greenspan has steered the economy to its best combination of unemployment and inflation in decades. A legitimate issue is whether the economy is overachieving. Unemployment is down to nearly 5 percent, about a full percentage point below what economists used to think was the rate that could be sustained. Wages are rising slightly faster than prices and much faster than productivity. If those trends continue, profits will fall and companies will react by further pushing up prices. However, profits have plenty of room to fall from their high levels. Besides, workers are hardly flourishing. Total compensation — benefits plus wages — has been barely keeping pace with inflation.

The old wisdom — that a 5 percent unemployment rate puts too heavy a strain on labor markets, driving up wages and then prices — may yet prove accurate. What makes matters hard is that the Fed cannot wait long enough to find out for sure. It must deal with problems months in advance or else find that inflation has already spiked, forcing to crack down hard, creating a recession. Yet there is no reason that the Fed must react before there is any inflationary sign even on a distant horizon.

The Fed would be not be acting irresponsibly if it raised rates on Tuesday. A rate hike might not even be wrong. But it is surely unnecessary.

— THE NEW YORK TIMES.

Aid for Guatemala

Peace in Guatemala's 35-year civil war is a work in slow but steady progress. The latest contribution, and the piece that can make the process irreversible, is the accord between government and guerrillas on shrinking the military. Not only are the generals committing themselves to cut forces and spending by a third right off, they are also agreeing to surrender the internal-security mission and special units that the oligarchy long used to police the population. With the cease-fire of last March holding, the government of Alvaro Arzu Irigoyen and the guerrillas' council are on track for a final accord.

Guatemala was where the Cold War came ashore in the Western Hemisphere. Not till the larger contest was over could its own rescue begin. The genius of the process, which the United Nations guided, was the recognition that what was required was not simply an end to hostilities but the rebuilding of an entire nation. The parties agreed that the best way to proceed was to break the process into bite-sized confidence-building pieces. Hence the earlier accords on a general framework, on human rights, on refugees, on a truth commission, on indigenous peoples (a majority), on socioeconomic issues and now on the military, with constitutional reforms and a final flourish to come.

What is happening now is a return to an internal reform process that the United States itself interrupted in 1954. Guatemalans had democratically elected a president, Jacobo Arbenz. Partly at the urging of United Fruit, which opposed his land reform proposals, the CIA supported a successful coup. In a few years a guerrilla force materialized and a terrible Cold War struggle was on. It took tens of thousands of Guatemalan lives and left an obligation upon the United States to help the hapless country climb out of the pit.

Washington is giving strong backing to Guatemalan peace-making. It needs to root out whatever may be left of the poisonous connection the American CIA long maintained with the corrupt military. But it is being stingy with money. Guatemalans' rebuilding of a country that Americans helped break deserves generous support.

— THE WASHINGTON POST.

Enforcing Air Safety

Public anxiety after the horrible ValuJet crash in Florida did manage to prod the Federal Aviation Administration into taking a fresh, hard look at itself. The calamity raised some deeply disturbing questions about the policies and failings of the FAA's oversight of new airlines. After grounding ValuJet on June 17, the agency undertook a safety review. The result is a series of recommendations that will be only as good as the agency's execution of them. The report, released Wednesday, does affirm what many air travelers and others suspected: the agency wasn't even enforcing all of its own regulations and that inspectors were acting on bad or misleading information.

The review, carried out under the supervision of the deputy agency administrator, Linda Hall Daschle, makes 30 recommendations, most of them aimed at tightening controls. Included is a call for more intense scrutiny of new airlines during their first five years of operation — along with controls on their growth. Airlines also would have to do what ValuJet is being required to do now as a condition for its new certificate for operating: It must present specifications for every aircraft, along with number and type; the routes they will fly; and the contractors they will use for maintenance.

Many of these policies should have been on the books in the first place, and all of them will require consistent enforcement if they are to work effectively. Better information will help, but vigilance is critical. Any account of sloppy or missed inspections, poor training or failure to follow up on reports is enough to crumble already shaky public confidence. The public needs all the evidence it can get that the government is insisting on the highest possible safety standards — and seeing that they are enforced.

— THE WASHINGTON POST.

Other Comment

Cambodian Farce

With the royal pardon of the Khmer Rouge leader Ieng Sary, Cambodia's tragedy has come full circle to farce. When negotiators in Paris clinked champagne glasses back in 1991, the idea was that their peace plan would bring civil government to Cambodia and neutralize the Khmer Rouge. Three billion dollars and one election later, it has wrought just the opposite: the Khmer Rouge is as big as ever. The only real difference today is that some of its leaders have cut a deal in which they retain their jungle bases and mining and logging operations in exchange for the government's imprimatur. Imagine a merger between two Mafia families and you get the point.

— Far Eastern Economic Review (Hong Kong).

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The Biggest Threat to Bosnia Isn't the Serbs

By Jim Hoagland

ZAGREB, Croatia — American intervention in the Balkans has bought Bosnia a year of peace with the Serbs and a flawed but viable national election. The Pax Americana of the Dayton accord has also put Bosnia's existence deeply in thrall to the ambitions and whims of Franjo Tudjman, now the overlord of war and peace in the region.

The Croatian president is described by a former American diplomat who has observed him closely as "the most dangerous person for Bosnia's future," a description that wins the agreement of Bosnia's president, Alija Izetbegovic. He recently told two European officials visiting Sarajevo that Bosnia's rebellious Serbs no longer were his greatest worry:

The Serbs have fought us for four years and have not won the war, Mr. Izetbegovic is reported to have said. They are tired and know they cannot win. But Croatia will try to absorb us — probably not militarily but politically and economically. That is the greatest threat to Bosnia's existence.

The European officials immediately grasped Mr. Izetbegovic's larger point: The United States and Europe have invested diplomatic, military and economic resources to save Bosnia from Serb assault and atrocities. Would the allies now be willing to help Bosnia survive a new and more subtle challenge?

Mr. Tudjman's status as the big winner out of the wars of the former Yugoslavia was ratified here on Aug. 23, when Serbia signed an agreement to normalize relations with Croatia. Serbia's Slobodan Milosevic thus formally signed away all claims to the Croatian territory he went to war to win five years ago and freed Mr. Tudjman to concentrate on Bosnia.

The Greater Serbia that Mr. Milosevic and the Bosnian Serb leadership sought to create by military conquest was rolled back geographically by last summer's devastating Croatian offensive. Politically, Greater Serbia is at least postponed; it may now, in fact, never happen.

Mr. Tudjman has gradually entrenched his control over the Croatian-inhabited western Herzegovina region of Bosnia, with Zagreb issuing the currency used in the region, controlling its communications networks and dictating party leaders and platforms in the campaign for the Sept. 14 election.

Left to his own instincts, Mr. Tudjman probably would annex western Herzegovina, using force if necessary, diplomats in Zagreb believe. But Mr. Tudjman believes that he can wait for Bosnia to disintegrate and western Herzegovina to fall peacefully into his lap, like a ripe apple.

Mr. Tudjman is in a race against time, however. He is a medieval monarch ruling over a country bursting with the energy and desire to transform itself into a modern European state. The strategic choice he faces in the wake of Bosnia's elections is to turn toward a European future, or to load Croatia with the intrigues and troubles of its eastern neighbors, even at the price of remaining nothing more than a Balkan potentate.

Choosing Europe might sound like the obvious move. But for Mr. Tudjman the issue is control; that is, maintaining total control over a modernizing society that shortly could have little use for his old-fashioned ways and prejudices. Put that way, being a Balkan potentate doesn't sound so bad to him.



By TROG/Caw Syndicate.

Franjo Tudjman: 'the most dangerous person for Bosnia's future.'

The Clinton administration must not focus exclusively on Bosnia and the complicated, tense aftermath that follows elections there. If Mr. Tudjman is to be deterred from hastening the Bosnian breakup he foresees — and from continuing the human rights abuses he has condoned against Croatia's Serb citizens — America and its European allies will have to engage in a coordinated strategy of incentives and punishments for Croatia.

America has the critical voice in deciding to accept or assign to limbo Croatia's application for membership in the Partnership for Peace auxiliary program of NATO. The Pentagon, not surprisingly, wants to move ahead on purely military grounds. But that would give away a valuable pressure point on Mr. Tudjman's future behavior. A skeptical U.S. attitude on the partnership, and on Croatia's desire for eventual NATO membership, would keep the pressure on.

Mr. Tudjman also is renewing his push for membership in the Council of Europe, a reward he is claiming for having cooperated in keeping Bosnia's election campaign relatively orderly. But the council, and the European Union, need to show Mr. Tudjman that he must commit himself to opening and stabilizing both Bosnia and Croatia before membership will be granted.

To justify and protect the enormous investment of money, military manpower and political effort it already has made to end the fighting in the former Yugoslavia, the West must now nudge Mr. Tudjman into adopting the commitment that so many of his countrymen feel toward a European future.

The ultimate test of the wisdom of that Western investment will be not only what kind of Bosnia emerges but also what kind of Croatia.

Washington Post Writers Group.

For Orthodox Jews, the Choice Was Netanyahu or Pizza Hut

By Thomas L. Friedman

NEW YORK — When Prime Minister Benjamin Netanyahu of Israel visited the United States a few weeks ago, he took a side trip between meetings at Wall Street and the White House to drive to the Montefiore Cemetery in New York.

There, he lit a yellow candle and paid his respects at the grave of the renowned Lubavitcher rebbe, Rabbi Menachem Schneerson.

This was no casual visit. It was an acknowledgment by Mr. Netanyahu of the crucial help he had received from the ultra-Orthodox rabbis in America and Israel, whose followers voted 97 percent for him, tipping the election his way. It is worth reflecting on why virtually all of Israel's Orthodox and ultra-Orthodox Jews voted for the secular Netanyahu, because this has profound implications for the Arab-Israel peace process.

Some were clearly attracted to Mr. Netanyahu's security arguments and his vow not to give away any more of the Land of Israel in the Oslo negotiations with the Palestinians. But there was also a new dimension: Virtually all seem to have voted for Mr. Netanyahu as a way of rejecting the "New Middle East" that his predecessor, Shimon Peres, said the Oslo treaty would usher in.

"The Orthodox voted en masse for Netanyahu," said the pollster Rafi Smith. "This was not just a peace process vote. It was a cultural vote."

The Peres vision of a "New Middle East" in which Israel would have open borders, a computer in every home, foreign investment, Pizza Hut, the Disney Channel, Blockbuster Video and 50 cable stations and be fully integrated into the global village, may have animated many secular Israelis to vote Labor.

But for many traditional and ultra-Orthodox Jews, it was a vision they feared would imperil Israel's very identity as a Jewish state and lead to Israel assimilating with the world the same way that American Jews assimilated with America. There is clearly a fear within the ultra-Orthodox community that Peace Now and Jewish Now cannot coexist.

Give Mr. Netanyahu his due. He understood that fear and he echoed it.

The most revealing bumper sticker was the one plastered in ultra-Orthodox neighborhoods at the end of the campaign: "Vote for Bibi, He's Good for the Jews." Implicit in that sticker was another that read: "Vote for Peres, He's Good for McDonald's (and for the Arabs)."

"Peres got totally caught up with his vision of the 'New Middle East' in which his grandchildren and Yasser Arafat's grandchildren would all make microchips together," said Moshe Halbertal, a Jewish philosopher at the Shalom Hartman Institute and Hebrew University. "Peres fell into the trap of defining peace in cultural terms. Instead of defining peace as a 'separation' from the Palestinians, he defined it as an 'integration' with the world that would usher in a new, Westernized, Israeli society. And so for Orthodox Jews the peace process became synonymous with a loss of Jewish identity."

There is a middle ground — a modern orthodoxy that interprets Jewish traditions and texts in a way that seeks to embrace the best of modernity, but too few are involved in this effort. Religious Zionism was supposed to do that, but it has drifted toward messianism. Labor Zionism might have done that, but it has drifted toward globalism. As a result, Israelis seem to be choosing between the ghetto and the global village, and this is shaping their choices on peace as well.

But they are not alone. This same tension exists in the Islamic world. You cannot understand Syria's or Egypt's or Saudi Arabia's resistance to further integration with Israel without seeing it as part of the larger resistance among traditional Muslims to the threat of Westernization and Americanization, which they see Israel embodying. This is now as big an impediment to the peace process as territory or security issues.

My hope is that a way can be found in both religious communities to balance the concerns of those who believe that peace will erase their identities with the concerns of those who believe they can only flourish if they embrace modernization. My fear is that there will be no synthesis, and it will be a fight to death between ghettoism and globalism and between the Big Mac and the Grand Mosque. I don't dare predict who will win.

The New York Times.

Europe and Japan Should Pay Their Share for Gulf Security

By Lawrence J. Korb

WASHINGTON — How much should the United States spend to protect its interests in the Persian Gulf?

Although they have garnered most of the attention, the 44 $1.2 million cruise missiles used against Iraqi air defenses were the least expensive part of the operation earlier this month against Saddam Hussein. Most were launched from billion-dollar ships that cost thousands of dollars an hour to operate and millions of dollars a year to protect. A few of the missiles were fired by B-52 bombers flown from Guam.

After the Gulf War, the Navy created the Fifth Fleet, stationed in the gulf. It consists of 21 ships manned by 15,000 troops, along with 12 more ships with equipment for ground forces and about 250 planes to protect the fleet and enforce the no-flight zones over Iraq. In addition, there are 10,000 troops on the ground in Saudi Arabia, Kuwait, Bahrain, Qatar and the United Arab Emirates, along with enough equipment for another Army brigade.

On various occasions since the Gulf War, including this month, the United States has augmented this standing force with a second aircraft carrier, a squadron of stealth fighters and additional air defense groups and bombers.

According to Michael O'Hanlon, a military analyst at the Brookings Institution, the total cost of maintaining the United States force in the Gulf is at least $50 billion per year.

The point of spending all this money is to ensure that neither Iran nor Iraq threatens the oil fields of Saudi Arabia and Kuwait. But the United States imports only about 10 percent of its oil from the Gulf, about $10 billion to $15 billion worth.

America's European allies get almost 30 percent of their oil from the Gulf while Japan depends on the region for half of its imports. But except for a handful of French and British planes helping patrol the no-flight zones, these countries make no contribution to Gulf security.

Is it any wonder that the United States spends more money on defense than Western Europe and Japan combined, and that its military budget remains at about 90 percent of the average Cold War level?

Since it appears that the United States is going to have a large force in the region indefinitely, it must ask its allies for a contribution similar to that of the Gulf War, when the Bush administration won commitments from the Saudis and the emirates, Europeans and Japanese to pay 80 percent of the costs.

But if they refuse to do their share, Washington should let them know that it will be forced to consider reducing its troop commitments in East Asia and Europe to pay for its burden in the gulf.

The writer, an assistant secretary of defense in the first Reagan administration and a senior fellow at the Brookings Institution, contributed this comment to The New York Times.

A Tabloid in the Beltway Sodom

By Maureen Dowd

WASHINGTON — The capital quaked at the news.

Well, maybe not quaked exactly. More like quacked.

Anyway, we've been aflutter at word that the supermarket tabloid National Enquirer plans to open a Washington bureau.

What does a publication that specializes in salacious bombshells — "The Games Sharon Stone Plays With Men: Why She Tucks Mints in Her Garter Belt" — want with us? What wild headlines can we expect? "Love Slaves of the GAO"? "Bob Rubin's Secret Psychic"? "Donna Shalala's Miracle Tabbouleh Diet"? "The Heartache Warren Christopher Hides From the World"?

In 1992, the Clinton strategist James Carville beat back another tabloid's story about Gennifer Flowers, the Arkansas woman who said she was Bill Clinton's mistress, shaming reporters for piggybacking on a paper that paid its sources and wrote, as he put it, about two-headed space aliens.

The tabloids lost when Mr. Clinton won. Most Americans put aside scandalous stories about his personal life, even if they rang true.

But now, it seems, the tabloids have also won, driving the coverage in '96 and dragging the rest of us along on scoops about kinky consultants.

Despite all the hand-wringing by the tonier press, scandals move through the food chain more swiftly than ever, trading up from the Enquirer to the New York Post to The Washington Post in a wink.

"There is this fig leaf called 'character' that we all use to stretch into these stories when we feel like it," says Howard Kurtz, the Washington Post news media reporter.

In an era when Dick Morris goes from hounded pervert to cosseted author in a weekend, we can no longer use the rationale that scuzzy stories are newsworthy because they might scuttle a candidacy. "We print them because they're fun," says one newsmagazine editor. "We're all about to go out of business and it gets readers."

The tabloids used to sniff around only during campaigns, trolling for party girls and cabaret singers with damning stories. Or they would cover the odd Washington sex scandal — the Capitol Hill secretary whose skills did not include typing, the houseboy running a prostitution ring out of a congressman's apartment.

Then the scandal would fade, people would start talking solemnly about the Fed, and the tabloids would slink away.

But now they're setting up shop in the Beltway Sodom. It's an exquisite moment — the consummation of the unholy marriage between the worlds of politics and show business.

By bringing mawkish personal confessions into the public debate, by going on the talk show circuit with his sax to sell himself like an actor plugging a new movie, by playing first groupie to Hollywood stars, Mr. Clinton completed the transformation of politicians into celebrities.

"Clinton drew the magic dust of Hollywood, brushing up against Barbra Streisand, Kevin Costner, Ted Danson," says Steve Coz, the Enquirer's editor. "He became more than president of the U.S. He became a personality and celebrity."

The White House spokesman, Michael McCurry, says that ever since a National Public Radio reporter asked whether Mr. Clinton had a sexually transmitted disease, he can visualize the Enquirer at his White House press briefings. "Unfortunately," he says, "they'd fit right in."

So where will the Enquirer ferret? "We're not interested in the Office of Management and Budget, that's for sure," Mr. Coz says. "But George Stephanopoulos is fascinating. There's vast interest in Hillary's makeup, her fashion. Bill Clinton has lost 20, 25 pounds, so we could do 'The Bill Clinton Diet.' Didn't Mondale's daughter, Eleanor, go jogging with Clinton? That bears scrutiny. And Newt Gingrich has personality written all over him."

I call Mr. Stephanopoulos, the photogenic Clinton aide, to tell him he's on the Enquirer's A-list.

"I'm going to throw up," he replies.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Secret Stolen

NEW YORK — A morning paper is the authority for the statement that Russia has stolen the American armor plate secrets and intends in future to make her own sheaths for battleships. It appears that Russia contracted with the Carnegie Company for 1,107 tons of plate, and it was stipulated that the Russian representatives should have access to the plates during their manufacture. Thus the secret was learned. The story is discredited in Washington.

1921: Fascisti Revenge

ROME — Two persons were killed and several others are lying at the point of death, following disturbances to-day [Sept. 23] at Caspanne between Fascisti and Communists. The secretary of the Fascisti of Tuscany telegraphed to the Italian Premier, informing him that, as a result of the recent Communist aggressions, the district Fascisti committee voted to consider the pacification agreement null, and that in consequence the Fascisti will begin to prepare themselves for the defence of the country.

1946: A World State?

LONDON — The International Committee for the Study of European Problems predicted failure for the United Nations organization and called for the formation of a world federation of nations for the preservation of peace. Admitting that a world federation would entail "important surrenders of national sovereignty," the committee proposed the organization of political groups committed to a world state to speed what it called "the normal evolution of the world toward unity as it has been evolving during the last twenty centuries."

هكذا من الأصل

LANGUAGE

Very Punny, and Sari If This Offends You

By William Safire

WASHINGTON — "I could never watch 'The Wizard of Oz' *in toto*," writes Gary Muldoon of Rochester, New York, to the would-be globl punmeister, adding an apologetic postscript: "*Sari*."

Tis is a multilingual pun, and instea of eliciting the usual unilingual groa, it sails off into the ether, unappeciated except by the most ardent of lnguage lovers.

I you are someone who needs an expanation about Toto being Dcothy's dog, and *in toto* being the Lan for "in the whole," or the sound of 'sorry" matching the Sanskrit word foa garment made by wrapping a long cth around the body, this is not the suject for you.

:rench-speaking paronomasiacs ofte say, "Choose your *poisson*," playir the word for "fish" against the Eglish word *poison*.

Carl Silverman, of Madison, Wisonsin, enjoys his "breakfast of champgnons."

And Edward Weingart, of Pittsirgh, notes the sad ending of a bilutural affair when the gal said: "Je adore," and the guy heard: "Shut da oor."

Linda Amster of The New York imes has a more creative *jeu de mots* – which translates as "play on vords." A Parisian fan of old Glenn Miller recordings, who called his youthful companion *mon petit chouchou* ("my little cabbage"), ordered his inamorata a case of wine. When it appeared among some other cases, he asked the wine merchant: "Pardon me, boy, is that the Chateauneuf-du-Chouchou?"

One egg like that is un oeuf; mais oui move on? (Look at that "S-car" go.)

ENOUGH Americans have German roots to recognize the name of the forged-steel prying instrument made by the Stanley Tool Co., the Wonder Bar.

The New York Times could not resist headlining a piece about Chancellor Helmut Kohl's epicurean enthusiasms "With Hopes for the Wurst," German bartenders, when asked for "dry martini," serve up three cocktails.

Punmeisters on their way to India to take lunch at a *new deli* had despaired of getting a contribution from Spanish until Marshall Bernstein, of Roslyn, New York, chipped in with Gertrude Stein's recipe for Spanish rice: "*Arroz is arroz is arroz.*"

Globe-circling translingual puns include a Japanese chinaware brush with Spanish: "*Mikasa es su casa.*"

A combination of Yiddish-English mixed with the sound, though not the fact, of Japanese is the teahouse, frequented by lawyers, named "Sosume." And Representative David Dreier of California titled his case for free trade with Japan "Open Sashimi."

The final entry — by James W. Fesler, of Hamden, Connecticut, and in Latin to Japanese — requires some setting up. The Roman orator Cicero, launching his attack on the politician he suspected of plotting an assassination, expressed his revulsion at the degeneration of high principle in his era with *O tempora! O mores!* ("O, the times! O, the bad new principles!")

With this as background comes the cry of the Latin-trained Japanese chef deep-frying an eel: "O tempura! O morays!"

The purpose of this compundium is to push the envelope of multilingualism, thereby displaying a lexicographer's adherence to the wok ethic.

□

A *pinprick*, coined in 1862, is a petty annoyance, like the jab of a pin that draws no blood. Today, only secretaries of defense suffer from pinpricks; the word has emerged in the 1990s in a new sense: as the primary derogation of inadequate military action.

T.E. Lawrence, in his 1926 autobiography "The Seven Pillars of Wisdom," led the way: "The tribesmen," he wrote of the Arabian nomads, ". . . hindered and distracted the Turks by their *pin-prick* raids."

Occasional military use followed, as in a 1977 dispatch in Newsweek quoting a Thai Air Force colonel about Cambodian "shooting incidents, *pinprick* attacks, probes against our defenses."

Accused of dithering in the face of Serbian attacks on Sarajevo in 1994, the United Nations launched a couple of feeble air sorties; the strategist Zbigniew Brzezinski denounced these as *pinprick bombing*, a nice play on the World War II term for precision air attacks, *pinpoint bombing*.

Since that time, data bases show a fivefold increase in the military sense of *pinprick*, which is now losing its hyphen.

Thus, as President Clinton responded to the move of Iraqi tanks into Allied-protected Kurdish areas with two volleys of Tomahawk cruise missiles, hawks who felt the response weak took up their favorite word: to answer "a tyrant's temper tantrum," wrote Mark Yost in The Wall Street Journal, "it will take a lot more than a few *pinprick* missile strikes."

□

"The Angry American," an especially timely book by the political scientist Susan J. Tolchin, is subtitled "How Voter Rage is Changing the Nation."

The word *rage* (from the Latin *rabia*, "madness," from which comes *rabid*) is coming at us with a roar.

Psychologists took up *suppressed rage* as the source of violent acts, and in its outwardly directed word form (although *outrage* comes from the French *outre*, "beyond," not from *rage*), it was attacked by Bob Dole in his acceptance speech: "A society that cannot defend itself from *outrage* does not deserve to survive."

Beyond *voter rage*, which merely throws incumbents out of office, is *road rage*, which forces autos off the highway.

In 1988, The St. Petersburg Times reported: "A fit of 'road rage' has landed a man in jail, accused of shooting a woman passenger whose car had 'cut him off' on the highway."

After flirting with *driver's rage* and *motorist's rage*, writers have settled on the alliterative form. It is viewed with opprobrium; an Irish newspaper noted that a publication in Uganda criticized Britain as a land "beset by hooliganism, illegitimate births, . . . necrophilia, and even road rage."

Beware of voters unwilling to take it anymore driving to the polls; *rage* is all the rage.

New York Times Service

INTERNATIONAL

Conflict Cools as Pope's Visit Ends

By Celestine Bohlen
New York Times Service

REIMS, France — On the last leg of a test of both his health and his popular appeal, Pope John Paul II proved Sunday that he still has the stamina to meet the demands of his flock.

Before a larger-than-predicted crowd of more than 200,000, the Pope celebrated a open-air Mass commemorating what is considered the 1,500th anniversary of the baptism of Clovis, a fifth-century Frankish king whose conversion to Christianity became the touchstone of a monthlong debate about the role of the Roman Catholic Church in French history and society.

But for all the vehemence of the church-state debate, the major anti-papal demonstration held Sunday in Paris, sponsored by a coalition of leftist and anti-clerical groups, drew a crowd of only about 5,000 people, few enough for the French Catholic Church to declare the Pope's visit a success.

"The people of France have more sense than those who speak in their name," said Cardinal Jean-Marie Lustiger, archbishop of Paris, at a press conference on Sunday. "This was an artificial debate."

The preoccupation with the health of the Pope, 76, who is due to undergo surgery next month to remove what his doctors say is an inflamed appendix, also subsided somewhat after he celebrated three open-air Masses, made 18 other appearances and delivered 12 speeches in the course of a four-day visit.

Still, his slow gait and speech, now viewed as normal by those who follow him, came as a surprise to many French Catholics who remember his vigorous appearance on four previous visits.

Two French cardinals who accompanied him during much of the trip said Sunday that the Pope, whose poor health is no longer denied by the Vatican, had come terms with his infirmities.

"He talks of his death freely and with a smile," said Cardinal Lustiger. "There is no fear in the face of the void."

Cardinal Pierre Eyt, archbishop of Bordeaux, also noted the Pope's view of his health problems, saying: "He gives the feeling that when the day comes when he has to lie down, he will lie down. But that it is Jesus Christ who will tell him when that day comes by taking him into the other world."

In his speeches Sunday, the Pope avoided the controversies over the baptism of Clovis which had been seized by the political right in France, particularly the nationalist Jean-Marie Le Pen, to celebrate the traditions of French conservatism and bolster his campaign against immigration.

On the first day of his trip to France, which began Thursday in Tours, the Pope signaled that he came here as a "pilgrim" to visit the majority Catholic community, with no intention of challenging the secular French state. At other stops, the Pope made appeals for greater compassion for those marginalized by modern society, including the poor, invalids and immigrants from the Third World countries.

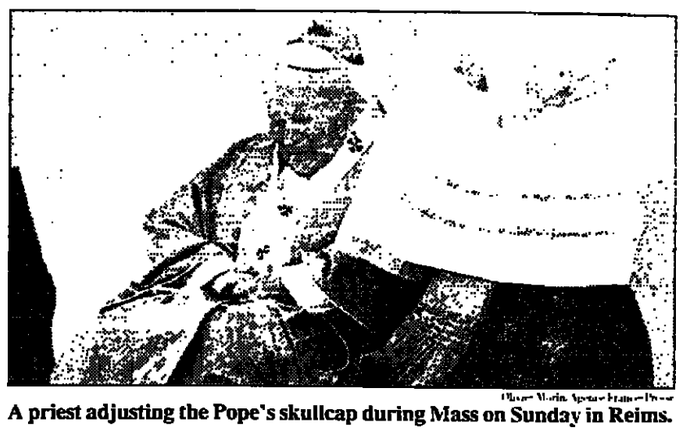
By staking his distance from Mr. Le Pen's increasingly provocative anti-immigrant stance, the Pope steered the church away from the nationalist message that had threatened to envelop Sunday's commemoration.

When he first came to France as Pope in 1980, John Paul issued a stirring challenge to French Catholics, asking them if they were not in danger of betraying their faith.

At the news conference Sunday, Cardinal Lustiger said the Pope's milder tone on this visit was not in reaction to the criticism that had preceded his visit but rather to the changes undergone by the French church.

In 1980, he said, the church was still feeling the effects of the sweeping protests of 1968, whereas now the it has regained some of its equilibrium.

"I feel the center of gravity has shifted, and this trip is the proof," the cardinal said.



A priest adjusting the Pope's skullcap during Mass on Sunday in Reims.

Runaway Bishop Tells All, for Cash

The Associated Press

LONDON — The Roman Catholic bishop who resigned last week over his affair with a parishioner is sharing a home with her and hopes they can marry, a tabloid newspaper reported Sunday.

In a paid interview with The News of the World, the former bishop of the Scottish diocese of Argyll and the Isles, Roderick Wright, also acknowledged that he had a 15-year-old son from a former relationship and apologized for hurting the boy.

Mr. Wright's decision to sell his story to one of Britain's more sensationalist newspapers has further angered the Roman Catholic Church here.

After shocking the church by resigning last Sunday, church leaders criticized him for selling his story. He cited physical and spiritual pressures when he resigned after disappearing for 10 days.

In a joint statement Saturday, Cardinal Thomas Winning, head of the Roman Catholic Church in Scotland, and Archbishop Keith O'Brien, of St. Andrew's and Edinburgh, said: "We regard the sale of his story by Roderick Wright as deplorable. We are glad to note, however, that he appears to be well."

The paper said it tracked Mr. Wright and Kathleen Macphee to a rented cottage in Kendal in northwest England, where they agreed to talk in return for an undisclosed five-figure sum.

He did not say if he will contact Kevin, his son by Joanna Whibley, the paper reported. It said Mr. Wright had asked that the interview payment go to Mrs. Macphee's three children. "I have to recognize Kevin. And I must say I'm sorry for the hurt I've caused him in his life," the newspaper quoted him as saying.

Kevin Whibley, who has not seen his father for years, told BBC TV that he was angry about the newspaper deal.

"If he's making a profit out of this story, our story, I am so angry about that and if he offers to make payments to us he won't hear the end of it until we have got the money, until I have got the money. It's my money," he said.

BOOKS

I WANT TO THANK MY BRAIN FOR REMEMBERING ME

By Jimmy Breslin. 219 pages. $22.95. Little, Brown & Co.

Reviewed by Christopher Lehmann-Haupt

ALTHOUGH its title may sound funny on first reading, Jimmy Breslin is far from joking when he named this memoir. For one thing, the focus of his story is the surgery he had on a brain aneurysm that was discovered by pure luck in the autumn of 1994.

Aside from the obvious danger that the arterial bubble might burst before he could have it treated, there was the riskiness of the procedure itself. Breslin understandably worried that his livelihood might be threatened.

The surgeon he finally chose — Robert Spetzler, head of the Barrow Neurological Institute in Phoenix — explained to him: "If you're a writer, we have to take that into consideration. Your skills come from certain parts of the brain. If you did something else for a living, then we would think in another way."

He is therefore genuinely grateful when he survives the operation and when he finds his language, memory, judgment, strong opinions and ability to write a newspaper column all intact.

"Suddenly, I decided that the entire journey, this dangerous operation on the only brain I have, turned out pretty well," he concludes. "I want to thank God for letting me live, and I want to thank my brain for remembering me."

For another thing, the brain that Breslin thanks is one he admires considerably.

When he learns what will be done to him — his skull will be opened and a pair of pliers inserted into his "very brain" — his life passes before his eyes: his troubled childhood; his rise as a newspaperman; the death of his first wife, Rosemary, and his marriage to Ronnie Eldridge, who was subsequently elected to the New York City Council; the development of strong and quirky opinions, and the subterranean persistence of his Catholic faith, which let him achieve a state of grace that made him unafraid of surgery.

His life passes before his eyes, and so do a number of his old columns and books, the material of which he liberally cribs: taking a helicopter flight with the Beatles; being hung over and thirsty at Martin Luther King's "I Have a Dream" speech; getting to know the winsome gangsters who became the subject of so many of his columns.

He is proud of his newspaper career, which in 1986 won him a Pulitzer Prize for distinguished commentary. He has good right to be proud. But in these pages the transitions to the past are sometimes forced and hard to follow. Still, enough of the writing in this memoir has the best of the Breslin touch.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE oldest person in the world to acquire a first computer and put it to serious use may be Muriel Brigham. She is believed to be the oldest game director in the world, and she recently introduced computer scoring into her weekly duplicate. She celebrated her 98th birthday by playing bridge in a game held in her honor, and the president of the American Contract Bridge League, Dudley Brown, drove 500 miles to be her partner.

They suffered in defense on the diagramed deal, when their opponents bid to an optimistic six no-trump. South was an experienced player and North was not, which accounts for the two no-trump rebid and the subsequent auction.

Brown as West made the normal lead of the spade queen, to his later regret; a double-dummy lead of a diamond would have defeated the slam. The declarer studied his prospects. His first move, after winning the spade ace in hand, was to lead a club to the ten in the faint hope that West held Q-J-x. East won and led another spade to dummy's king.

The normal play in hearts was to finesse the jack, hoping for a doubleton king on the right, but South had no side entry. He led dummy's queen and Brigham covered with the king. South took the ace and led the diamond queen hoping the king would appear on his left. When it did not, he put up dummy's ace and took four club winners to reach:

NORTH
♠ —
♡ 7 3
◇ 6
♣ 2

WEST
♠ J
♡ 6
◇ 10 7
♣ —

EAST
♠ —
♡ 9 8 2
◇ K
♣ —

SOUTH
♠ —
♡ J 10 5
◇ J
♣ —

When the last club was led, East hesitated. "It is always a pleasure to squeeze a pretty woman," South told her.

"It would be much more fun on the dance floor," she retorted, conceding the slam.

NORTH
♠ K 3
♡ Q 7 3
◇ A 6
♣ A K 10 8 7 2

WEST
♠ J 10 5 2
♡ 4
◇ 9 7 4
♣ 9 4

EAST
♠ 9 8 7 4
♡ K 9 8 2
◇ K 9 5
♣ Q 3

SOUTH (D)
♠ A 6
♡ A J 10 5
◇ Q J 8 3 2
♣ 6 5

Neither side was vulnerable. The bidding:

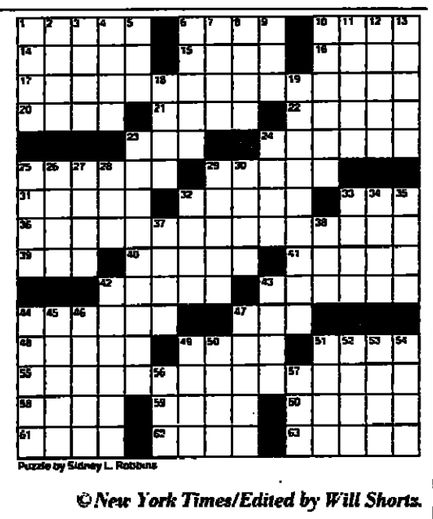
South	West	North	East
1♡	Pass	2♣	Pass
2 N.T.	Pass	4 N.T.	Pass
5♣	Pass	5 N.T.	Pass
6♡	Pass	6 N.T.	Pass
Pass	Pass		

West led the spade queen.

CROSSWORD

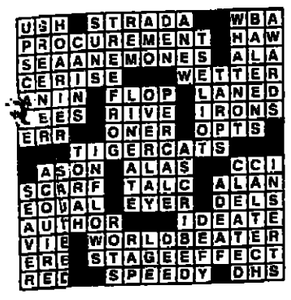
ACROSS
1 Free-for-all
6 Welshman or Scot
9 Paint unskillfully
14 Critical, as a shortage
15 Seaweed product
16 Florence's river
17 Eastern ascetic
18 Kennedy matriarch
21 Lover's sounds
22 Downy duck
23 It's "big" in London
24 Venomous vipers
25 Insincere sentimentality
29 Cries one's eyes out
31 Of bees
32 French capital, in song
33 Man of tomorrow
36 Daytime serial since 1956
39 One born in early August
40 Carved gem
41 Speck
42 Whalers and such
43 Drinking spree
44 "Scram!"
47 Remote
48 Lumberjack
49 Employer
51 Money-losing proposition
55 Space-efficient floor connector
58 Mailed
59 Leave out
60 Harbor
61 Ransom, the car maker
62 Part of V.F.W.
63 Mountain nymph

DOWN
1 Bryn — College
2 Canyon feature
3 "The Bridge of San — Rey"
4 To be, in Picardy
5 Conger
6 Church law
7 Frozen waffle brand
8 Youngsters
9 Uno, due, ----
10 St — (famous Welsh cathedral)
11 Take for —
12 Racer Al
13 Family of Danish physicists
18 Hot-weather desserts
19 Outstanding, as a day
23 Fine dinnerware
24 Quite impressed
25 False god
26 Church nook
27 Yugoslav hero
28 "So there!"
29 Uncovers
30 Singer Guthrie
32 Grand display
33 Slender nail
34 Fairy tale starter
35 River to the North Sea
37 Linger
38 Coffee server
42 Race openers
43 Italian port on the Adriatic
44 Deep-voiced singer
45 Oust
46 "— is a terrible thing to waste"
47 Achievements
48 West Point inits.
50 Agitate
51 Capone feature
52 Grotto
53 Out of port
54 Dam
56 Near the ground
57 Sigma's predecessor



Puzzle by Sidney L. Robbins

Solution to Puzzle of Sept. 20



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INTERNATIONAL

EMBARGO: *European Police Retrace the Paper Trail of the Obscure Wartime Broker for Bosnia's Muslim-Led Government*

Continued from Page 1

around the world. A Western banker in Austria referred to Mr. Hassanein as the "bagman" of the Bosnian president, Alija Izetbegovic.

"If the Bosnian government said we need flour, he ran after flour," the banker said. "If they said we need weapons, he ran after weapons."

The story of the Third World Relief Agency, reconstructed from documents and interviews with police, banking officials and intelligence sources, makes clear how much the Bosnian government depended on outside aid to obtain and pay for desperately needed weapons. It also shows how the embargo drove the Muslim government into alliances with some of the world's most radical states, as well as terrorist movements.

The agency took funds and support for Bosnia from wherever it could find it, and the bulk of the cash originated in the Middle East: Iran was a big contributor, as was Sudan, which like Iran is on the U.S. State Department's watch-list of countries that support terrorism. Saudi Arabia was the largest contributor, according to banking officials and intelligence sources, and donations also came from pro-Western countries like Pakistan, Turkey, Brunei and Malaysia.

But militants in the terrorist underworld also are believed to have used the relief agency to get money to the Bosnian government, including Osama Binladen, a wealthy Saudi Arabian émigré and suspected sponsor of militant Islamic groups around the Middle East. Mr. Binladen, a resident of Sudan until last year, is reportedly now in Afghanistan, where he has issued statements calling for attacks on U.S. forces in the Gulf.

Investigators say the agency also had ties to Sheikh Omar Abdel Rahman, a radical Egyptian cleric who was convicted of planning several terrorist bombings in New York and is linked to the group that carried out the World Trade Center bombing in February 1993. Intelligence agencies say they have tapes of telephone calls by Mr. Rahman to the agency's office, during which he discussed its commitment to sell the sheikh's videotapes and sermons in mosques around Europe.

A senior Western diplomat in the region said the Clinton administration knew about the Third World Relief Agency and its activities beginning in 1993. Still, the United States took no action to stop its fund-raising or arms purchases, in large part because of the administration's sympathy for the Muslim government and ambivalence about maintaining the arms embargo.

"We were told by Washington to watch them but not interfere," the diplomat said. "Bosnia was trying to get weapons from anybody, and we weren't helping much. The least we could do is back off. So we backed off."

Austrian and German authorities also refrained from shutting down the agency.

Mr. Hassanein, identified by Western sources as a member of Sudan's ruling National Islamic Front, built his arms smuggling operation with Islamic activists from Bosnia who, like him, had ties to Mr. Izetbegovic. Several of these men now hold senior positions in the Bosnian government.

In a 1994 interview with Gazi Husrev Beg, a magazine focusing on Islamic affairs, Mr. Hassanein called for the creation of an Islamic state in Bosnia. "Bosnia, at the end, must be Muslim Bosnia," the magazine quoted him as saying, otherwise "everything has lost its sense and this war was for nothing."

Mr. Hassanein added that war in Bosnia had helped the cause of Islam by awakening a religious sense among Bosnia's secular Muslims. "However, it is still not good, and I think that we have to find more suitable methods to spread the correct teachings of Islam among Bosnian Muslims," he said.

Mr. Hassanein agreed to be interviewed for this report but subsequently failed to respond to numerous phone calls and visits to his office in Sarajevo.

He met Mr. Izetbegovic in the 1970s while attending medical school in Belgrade. Mr. Izetbegovic, then an Islamic scholar, visited Belgrade frequently and met there with Muslim intellectuals. In a 1983 trial in Sarajevo, Mr. Izetbegovic, who was under indictment for fomenting Muslim nationalism, said in his testimony that Mr. Hassanein was a good friend, according to case documents.

Mr. Hassanein founded the Third World Relief Agency in 1987 with his brother, Sukarno Hassanein. Western officials say the original purpose of the organization was to encourage the rebirth of Islam in Eastern Europe and the then-Soviet Union. It is not clear if Sudan formally backed the agency, but Western intelligence officials say Mr. Hassanein is believed to have been responsible for the Sudanese Islamic Front's policy in Bosnia, Afghanistan and Pakistan.

His agency received the official backing of the Bosnian government and by late 1992 had opened offices in Sarajevo, Budapest, Moscow and Istanbul — all key locations for the smuggling and purchasing of arms. In October 1992, Haris Silajdzic, then Bosnia's foreign minister, visited First Austrian Bank in Vienna and vouched for Mr. Hassanein's credibility as the financial representative of the beleaguered Bosnian state, sources said. In 1993, Mr. Izetbegovic wrote a letter again, assuring the bank that the Sudanese man had the full confidence of the Bosnian authorities, the sources added.

Suddenly, money began to pour into the Third World Relief Agency. From 1992 to 1995, $350 million passed through the agency's hands, bank officials said.

In what may have been an attempt to facilitate his new work, Mr. Hassanein acquired a diplomatic passport in March 1992 and became a Sudanese cultural attaché. The move allowed him to transport large amounts of cash through Austria and into Croatia and Slovenia without being subjected to police checks, Western officials said.

The agency's first large operation came to the attention of Western intelligence agencies in September 1992, when Soviet-built transport planes began arriving in Maribor, Slovenia, from the Sudanese capital, Khartoum. While the cargo was marked humanitarian aid, it contained more than 120 tons of assault rifles, mortars, mines and ammunition, intelligence sources said.

Investigators say the arms originally came from surplus stocks of Soviet weapons stored in the former East Germany and were probably purchased by the Bosnians in Europe. It is not known whether Sudan played a role in the deal other than as a point of transport.

The Maribor weapons deliveries stopped in September 1992, when Croatia closed arms smuggling routes in apparent preparation for severing an alliance between its Bosnian Croatian proxies and the Bosnian Muslims. The remaining 10,000 assault rifles, 150,000 rounds of ammunition, rockets and explosives sat in a warehouse in Maribor until Slovenian officials revealed their contents almost a year later. The value was placed at about $10 million.

Austrian agents earlier had identified the relief agency as the financier of the deal, police officials said, after discovering it was paying storage fees for the weapons in the airport.

In 1993, German police got another glimpse of the organization's work when they stumbled across a weapons deal being negotiated in Germany by Bosnian Muslims and Turkish arms dealers, according to August Stern, a prosecutor in Bavaria. Germany indicted about 30 Bosnians and Turks on weapons and racketeering charges in connection with the deal. While Mr. Stern declined to provide information on the deal, Western sources said it involved $15 million worth of light arms. Mr. Stern said the relief agency was implicated as the deal's financial broker.

OLIVETTI: *Talking With France Telecom*

Continued from Page 1

The possible deal suggests the shape of what could prove to be a wide-ranging reorganization of Olivetti, focusing on expanding its push into telecommunications and possibly selling its loss-making personal-computer division.

Neither Carlo De Benedetti, the former chairman who retains 14 percent of the company, nor Olivetti executives were available for comment over the weekend.

A France Telecom deal to buy into Olivetti could form a major leg of the French company's strategy as it prepares for its own partial privatization next year and heads toward unprotected competition with global telecommunications giants such as AT&T, British Telecom and others. The European market is expected to open up following deregulation of the telecommunications sector in 1998.

A France Telecom deal with Olivetti could also be a way for the Paris-based company to anchor its presence in the potentially lucrative Italian telecommunications market.

If France Telecom were to buy an equity stake in Olivetti at the group level, this could help it protect its planned investment in Infostrada, in which it will be a minority partner.

In its Italian fixed-line telephone venture talks with Olivetti, France Telecom is hoping to buy 49 percent of Infostrada SpA, which is presently 67 percent owned by Olivetti and 33 percent by the Philadelphia-based Bell Atlantic Corp.

Deutsche Telekom and Sprint Corp. of the United States, which are partners with France Telecom in separate global alliances called Atlas and Phoenix, are also said to be interested in joining the Infostrada venture in the future.

Apart from their ties in Infostrada, Olivetti and Bell Atlantic are also joint shareholders in Omnitel, the first private-sector cellular phone service to compete in Italy with the state-owned Telecom Italia Mobile.

Separately, it has emerged that Olivetti, whose share price has been buffeted in recent weeks by boardroom squabbles, management changes and a judicial probe into its first-half financial accounts, last week received an offer from an American-led group for its personal-computer division.

The personal computer division, which employs 1,600 of Olivetti's total work force of just under 30,000, suffered 230 billion lire of losses in 1995. The division's 1995 sales were equivalent to 20 percent of 1995 total Olivetti group revenue of 9.84 trillion.

The Olivetti group, including Omnitel, personal computers and a systems and services division that provides equipment to a number of European banks, suffered a 1995 loss of 1.6 trillion lire. This brought combined Olivetti group losses since 1990 to a total of 3.8 trillion lire.

The offer for the PC division last week is said to have come from an investment group led by Gary Klesch, an American financier. But it is unclear whether a deal with Mr. Klesch will be concluded.

At France Telecom, Mr. Bon appears unperturbed by the drastic swings in Olivetti's share price since Sept. 3, when Mr. De Benedetti resigned as chairman following a battle with Francesco Caio, the aide who he had named chief executive last July.

Mr. Caio was himself ousted last Wednesday at an Olivetti board meeting that appeared to signal a victory for Mr. De Benedetti and another shareholder — Mediobanca, the Milan merchant bank. The naming of Roberto Colaninno last week as the new Olivetti chief executive was said in Italian financial circles to have been a move by Mediobanca and Mr. De Benedetti to take firm control of the company in order to redirect its strategy.

Mr. Caio, together with Mr. De Benedetti and others, is being investigated by magistrates in Olivetti's home town of Ivrea about alleged false financial reporting of the company's first-half results. The Olivetti group announced a 440 billion lire loss for the first six months of 1996 on revenue of 4.2 trillion lire.

In Paris, Mr. Bon is said to have told friends that despite the Italian company's turmoil he continues to have high regard for both Mr. De Benedetti and for Giorgio Garuzzo, Olivetti's vice-chairman. Last week the board of Olivetti confirmed Mr. Garuzzo as vice chairman with specific powers to negotiate international alliances.

Mr. Bon and Mr. De Benedetti, meanwhile, enjoy a friendship that dates back to the France Telecom chief's previous position as head of Carrefour, the French retail chain.

Mr. Bon, in turn, is a highly regarded manager who has the political backing of Prime Minister Alain Juppe. This could prove important in future should a deal with Olivetti come about as it is almost certain to come under political scrutiny in both Italy and France.



Kevin Lamarque/Reuters

Jean-Claude Juncker, prime minister and finance minister of Luxembourg, arriving in Dublin for the meeting to further monetary union.

EU: *Single Currency Gets a Boost in Dublin*

Continued from Page 1

any spending cuts or tax increases.

The ministers did not resolve the size of the fines or the crucial question of under what "exceptional and temporary" circumstances the bloc would waive deficit limits, as the Maastricht treaty allows. Senior EU monetary officials and the European Commission will submit detailed proposals to resolve those issues by November.

Germany wants a strict definition of an economic contraction of 2 percent or more over four straight quarters, something that has happened only to Finland and Sweden in recent years. Most other countries regard that as too drastic, but Finance Minister Jean Arthuis of France said the final agreement would have to define a recession scenario in precise terms to avoid any fudging by future governments.

That was enough for German officials to declare victory. The outline rules make clear that, barring very severe recessions, the Union "will always impose sanctions" on deficit violators, said Hans Tietmeyer, president of the Bundesbank.

Theo Waigel, the tough-talking finance minister who was widely accused of seeking to torpedo the single currency when he first proposed the stability pact a year ago, welcomed the result. "I'm satisfied with what we have achieved," he said.

Separately, the ministers also agreed that countries that do not join single currency at the start will face increased surveillance of their economic performance. Under a revised exchange-rate mechanism to keep outside currencies pegged to the Euro, intervention by the future European Central Bank will depend on outside countries' meeting their economic targets for inflation, deficits and other criteria.

EU Parley Focuses on U.K. Cows

Reuters

KILLARNEY, Ireland — Britain was under pressure again Sunday as European Union agriculture ministers gathered to discuss London's refusal to carry out proposed steps to end the "mad cow" disease crisis.

The four-day meeting will probably be dominated by Britain's refusal to carry out a cattle cull agreed to at meeting in June as part of a plan to end a ban on British beef exports.

The European Commission banned British beef exports last spring, and Britain retaliated by refusing to coperate in EU decision-making, causing a crisis that was thought to have been defused with a package of measures agreed at the June summit meeting in Florence.

Britain has suspended the planned cull because of domestic research suggesting that mad cow disease, or bovine spongiform encephalopathy, would die out naturally in five years.

The Conservative government of Prime Minister John Major is under intense pressure from the farm lobby and rightists not to go ahead with the cull and faces calls from party "Euroskeptics" to get tough with Europe.

President of Austria Suffers From 'Severe Pneumonia'

Reuters

VIENNA — President Thomas Klestil of Austria, who has been in a hospital since Sept. 13, is suffering from a "severe, aggressive and atypical strain of pneumonia," his spokesman told the Austrian news agency APA on Sunday.

The spokesman, Heinz Nussbaumer, said that Mr. Klestil's condition had improved slightly, but that it would take some time for him to recover. All meetings have been canceled for the next few days. Last week, Mr. Klestil, 64, had to cancel a two-day visit to Germany.

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INTERNATIONAL

Bob Dole on Foreign Policy: An Idiosyncratic View of the World

By Elaine Sciolino
New York Times Service

WASHINGTON — Early this month, Bob Dole accused President Bill Clinton of "weak leadership" in failing to curb Saddam Hussein in northern Iraq. After Mr. Clinton took military action against the Iraqi leader, Mr. Dole backed away, saying, "In matters like this, all of us think not as Republicans or Democrats, but as Americans."

Later, when Mr. Clinton had failed to resolve the crisis or win the support of important U.S.

NEWS ANALYSIS

allies, Mr. Dole shifted again, faulting the president for failing to explain why he was spending taxpayers' money and sending U.S. troops to the Middle East.

Mr. Dole's tacking underscores the difficulty any presidential challenger faces in trying to capitalize on a foreign policy crisis without appearing to undercut his own country.

But it also sheds light on Mr. Dole's complex, even idiosyncratic view of the world and the formidable task of selling it to the American people, particularly in a campaign in which foreign policy has played almost no role so far and will not in the future if Mr. Dole's political managers have their way.

In challenging Mr. Clinton, Mr. Dole makes his case as a foreign policy president on modest levels: with a generalized pledge to be a more decisive leader who would restore the respect and power he claims the Democrats have frittered away and with specific promises like spending more on the military, expanding NATO quicker and getting tougher with terrorists.

"Bill Clinton's policy of indecision, vacillation and weakness is making the world a more dangerous place," Mr. Dole told the Philadelphia World Affairs Council in June. As president, he added, "I will restore decisiveness and purpose to American foreign policy."

In his view, Mr. Clinton's claims to success are overstated, the crises only postponed: in Haiti, the implementation of democracy is unfinished; in Bosnia, elections were not free and fair; in North Korea, the United States could have gotten a better deal in freezing its nuclear-weapons program.

"We have a lot of make-believe successes," said Paul Wolfowitz, the dean of the Paul H. Nitze School of Advanced International Studies of Johns Hopkins University and a close adviser to the Dole campaign. Mr. Wolfowitz, an undersecretary of defense in the Bush administration and assistant secretary of state for Asia in the Reagan administration, doubles as an adviser on both foreign policy and military issues.

Mr. Dole's list of foreign policy advisers numbers more than 200 and reads like a directory of Republican foreign policy experts, but there are only a handful to whom he talks regularly.

The Republican nominee has put Kansas ahead of global politics. But he has also pursued causes regardless of their popularity.

They tend to be philosophically closer to Ronald Reagan than George Bush: more suspicious of China and Russia, more hostile to the United Nations, more comfortable with the unilateral use of force, more supportive of a space-based antiballistic missile system.

Jeane J. Kirkpatrick, the co-chairman of Mr. Dole's campaign, who served as Reagan's chief representative to the United Nations, has been a trusted ally ever since she supported Mr. Dole in his failed bid for the Republican presidential nomination in 1988. She sometimes travels with the candidate, fills in for him in giving speeches and offers her opinion on speeches. Either she or Mr. Wolfowitz could end up as secretary of state in a Dole administration.

Mr. Dole also gets foreign policy advice from Donald Rumsfeld, the former defense secretary who serves as the campaign's national chairman, and Robert Ellsworth, one of his oldest friends, who was in charge of the vice-presidential selection.

Senator John McCain, Republican of Arizona, serves as a surrogate foreign policy spokesman, although Mr. Dole opposed Mr. McCain's push for normalization of relations with Vietnam and Mr. McCain opposes Mr. Dole's support for certain weapons systems.

Mr. Dole's closest staff person, and one of his closest advisers, is Mira Baratta, who served as his legislative assistant on arms control and foreign policy for seven years and has been his voice of conscience on Bosnia.

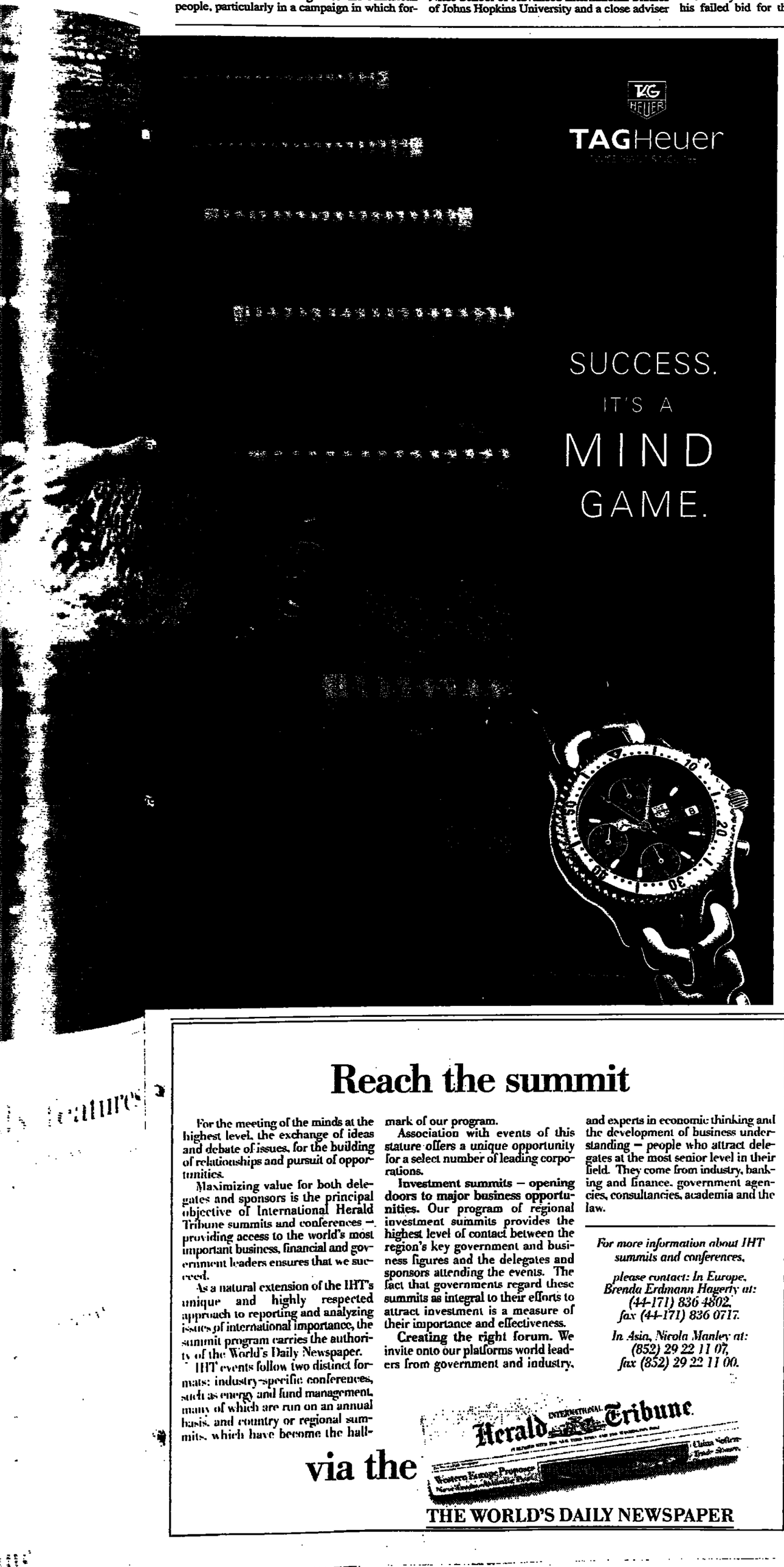
As a legislator, Mr. Dole has learned the importance of coalition-building, a trait his advisers say would make him work harder than Mr. Clinton has done to build and strengthen alliances overseas. But Mr. Dole has also enjoyed the luxury of reacting situationally to foreign policy problem rather than trying to solve them. And with a va Senate record that spans 36 years, he has play different sides of many important issues.

In 1990, for example, he earned a reputation anti-Israeli after he proposed taking 5 percent aid from the largest foreign recipients, includir Israel and Egypt, and giving it to the emergir democracies in Eastern Europe.

The same year, after Arab leaders scolded hi for advocating a resolution declaring Jerusale as the capital of Israel, he said it was all a bi mistake. Now he is campaigning on a platform t move the U.S. Embassy to Jerusalem, and he n longer talks about cutting aid to Israel.

Mr. Dole has also put Kansas wheat ahead c global politics. Despite Saddam Hussein's thre to "burn half of Israel" with chemical weapon in the spring of 1990, he favored the extension c hundreds of millions in loan guarantees so th Iraq could buy American grain.

But he has also pursued causes he feels pas sionately about regardless of their popularity o support. He pushed for the lifting of the arm embargo on the Bosnians so that they could bette defend themselves against the Serbs. Even nov he has criticized the Clinton plan to arm and trai the Bosnian military as woefully inadequate.



Israel Reportedly to Reinforce Golan

The Associated Press

JERUSALEM — The government has decided to increase Israeli forces in the Golan Heights in response to Syrian troop movements in Lebanon, an Israeli newspaper reported Sunday.

Prime Minister Benjamin Netanyahu and Defense Minister Yitzhak Mordechai will decide soon how to redeploy troops in light of the Syrian movements, the Ha'aretz newspaper said. The prime minister's office did not immediately respond to the report.

Ha'aretz said forces on the Golan would be beefed up because of fears that Syria might try to attack. But in an interview on the eve of the Yom Kippur holiday, Mr. Mordechai told the Ma'ariv newspaper that there had been a "drop in tension" between the two countries.

"We have no interest in exacerbating the situation, and I assume that is the situation on the other side as well," he said.

Mr. Mordechai said, however, that Israel was monitoring the Syrian troop movements and maintaining the "necessary alertness."

Israel captured the Golan Heights from Syria in the 1967 Mideast War. Thirteen years ago, on Yom Kippur in 1973, Syria launched a surprise attack, overrunning part of the Golan before being repulsed.

The recent eastward and southward movement of Syrian troops from Lebanon had raised eyebrows in Jerusalem and in Washington, but President Hafez Assad sent a message to Israel through the United States last week that the movements were not aimed at the Israelis.

Israeli radio said Mr. Mordechai had canceled a planned visit last week to the site of key Israeli reconnaissance stations on the Golan, so the timing would not be misinterpreted.



Menahem Kahana/Agence France-Presse

A rigorously Orthodox Jew holding a chicken over family members' heads Sunday on the eve of Yom Kippur, in a ritual transfer of all sins to the chicken, which will later be slaughtered and given to the poor.

MASAKO: *Japanese Await an Heir*

Continued from Page 1

asty was spawned by a Japanese sun goddess, Amaterasu, and 8 of Japan's 125 emperors have been women.

The last female emperor — the title of empress is reserved for the emperor's wife — reigned for seven years until 1770. Then a century ago, the imperial code was changed to forbid a woman from ascending the throne.

Parliament would have to pass a new law before a woman could become emperor, but if that happened, then there would be potential long-term heirs. At least for now, for example, the throne could go to one of Prince Akishino's daughters, Mako and Kako.

Though the crown princess is only 32, there is an old Japanese saying, "Marry for three years, and bear no child, then it's time to leave!" But in a country where divorce is still uncommon, any kind of parting in the imperial family is unthinkable.

If there is any overwhelming feeling these days that ordinary Japanese have for the crown princess, it is sympathy. They tend to identify more with her as a commoner than with the prince, and do not often discuss publicly the prince's role in producing an heir.

"She married into a position where her responsibility is to give birth to a boy, and I feel for her," said Naomi Yamaha, 33, a computer engineer. "Even as commoners, there is a lot of pressure on you to have a boy if you marry the oldest son."

And the pressure is a thousand times more intense for the crown princess, living in a gilded imperial cage where her every move is watched and evaluated.

"Indeed, being the wife in the imperial family has got to be the No. 1 source of stress," said Rihachi Iizuka, a prominent fertility specialist at Keio University. "That's why caged animals like monkeys and pandas in zoos don't have as many babies as the ones out in the wild."

Princess Masako's royal zoo keepers are the 1,100 administrators and servants who form the Imperial Household Agency, a bastion of conservatism and protector of tradition and ritual.

It has not only cloistered Princess Masako and the crown prince, but many say it has created a greater distance between the imperial family and the ordinary Japanese people.

Some people say that the cloak of silence the Imperial Household Agency has now wrapped around her may be an effort to play down her presence until the royal couple produce an heir. Others say it is the agency's method of easing stress.

JFK Jr. Has Wed, A Cousin Reports

The Associated Press

CUMBERLAND ISLAND, Georgia — John F. Kennedy Jr. got married over the weekend, ending years of speculation about his love life, a cousin said Sunday.

The ceremony reportedly took place Saturday on this secluded island.

"Besides the hot news on the wires this morning, my cousin John did tie the knot yesterday," Representative Patrick Kennedy, Democrat of Rhode Island, said at a fundraiser in Steubenville, Ohio, according to a local station, WTOV.

He did not give the bride's name. Mr. Kennedy 35, son of former President Kennedy and editor of George magazine, has been romantically linked for about five years to Carolyn Bessette, who works in public relations for Calvin Klein Ltd.

GREECE: *Socialists Win the Election*

Continued from Page 1

and, under pressure from his party, resigned two months later as prime minister. Mr. Simitis was not the designated heir, but managed to wrest the leadership from Mr. Papandreou's followers.

In the nine months he has been prime minister, Mr. Simitis has virtually remade the party, taking a step-by-step approach to the continuing conflict with Turkey, introducing economic austerity measures and beginning to privatize state industries, all contrary to Mr. Papandreou's expansionist policies. He acknowledged this in his statement Sunday, saying the victory belonged to those who "believe in the competitivity of the Greek economy."

Mr. Simitis revamped the Socialists so far that they and New Democracy appeared to agree during the campaign on nearly every major issue facing Greece. Both parties support Greece's integration into the European Union and back the goal of a single currency by 1999. Athens is unlikely to get its economy in shape in time to join the first nations in that club, but both parties favor joining the second wave.

That means both agree on the need for controls on spending, a strong currency and other measures to reduce inflation, none terribly popular with the Greek public.

In addition, both parties are friendly toward the United States and support the continued presence of U.S. bases here.

They do differ a bit on Greece's old adversary, Turkey. Mr. Evert, as challengers often do, advocated a harder line. Mr. Simitas counseled negotiation.

If the future of Greece was not at stake with this election, the future of its two major parties was. This was the first free election since 1981 without Mr. Papandreou on the scene, and the two men competing to succeed him had much at stake.

Mr. Simitas had been expected to win handily when he called the election a month ago, but in recent weeks Mr. Evert and the New Democrats had closed the gap. Now, Mr. Evert returns to the sidelines.

TWA: *A Discovery Angers Crash Inquiry*

Continued from Page 1

not," the official said. "We don't know. It's mystifying. This could be an explanation of how some or none or all of the chemicals got on the plane."

Several law enforcement officials said that the discovery of the testing of bomb-sniffing dogs would make it nearly impossible for investigators to construct a circumstantial case that the plane was destroyed by an explosive device.

Even after detecting the explosive traces on the plane's wreckage, officials said they needed clear evidence of metal deformed by a high-explosive detonation before they could declare the crash a crime.

The traces of the two chemicals, PETN and RDX, were not considered definitive proof of a bomb blast because they were not found blasted into metal wreckage of the plane.

A federal official said that investigators did not learn earlier that the plane was involved in the tests because it was not included in records kept either by TWA or the Federal Aviation Administration.

The test was performed by the Federal Aviation Administration on June 10 while the plane was on the ground at the Lambert St. Louis International Airport, according to federal officials. Investigators discovered that the plane had been used in the test during their meticulous reconstruction of its history.

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Fashion Special Report
Issue Date:
October 7 1996

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Continued on Page 16

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Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, SEPTEMBER 23, 1996

Asia Renews Love Affair With L.A.

Real-Estate Bargains Spark a Buying Spree

By Verne G. Kopytoff
New York Times Service

LOS ANGELES — Japanese investment in the top hotels and office towers in Los Angeles soared in the 1980s and then crashed with the real estate market in the early 1990s. Now Asian investment, mainly from Taiwan, Hong Kong and Indonesia, is increasing again, driven partly by real-estate bargains here and political uncertainty at home.

In the past three years, Asia-based companies have bought at least 15 buildings in the Los Angeles area, each priced at more than $10 million, according to Financial Capital Investment Co., which helps Asians buy property in the United States. Analysts and Asian buyers said these transactions — which the company said totaled nearly $450 million — reflected Asia's growing prosperity and a belief that Southern California's commercial-property market has hit bottom.

For instance, a Hong Kong-based syndicate, B.W. Hotels, bought the luxury Regent Beverly Wilshire in February for a reported $100 million. The 275-room, 12-story Beverly Hills hotel, featured in the film "Pretty Woman," is near the chic shopping street Rodeo Drive.

"We think Los Angeles has turned around in hospitality," said Ambrose Cheung, president of B.W. Hotels. "It is now on the upswing."

For years, entrepreneurs from Taiwan have been major investors in smaller projects such as shopping centers, warehouses and apartment buildings in the Los Angeles area, and they typically have focused on those communities with a large Asian presence. But Randall J. Lee, an Asian economic consultant with Lilly Enterprises in Los Angeles, said the new wave of Asian investment was more often on a larger scale.

"We are going to continue to see the mom-and-pop guys buying the small shopping centers," Mr. Lee said. "But we are beginning to see the bigger players."

Many investors keep a low profile, which makes tracking sales difficult, said Richard Alter, managing director of Financial Investment Capital. He said investors typically formed a syndicate, paid in cash and focused on second-tier properties such as midsized office towers and business-class hotels that did not draw as much attention or attract as much bidding.

"We try to go after some properties that the big Wall Street firms would not go after," Mr. Alter said. "We go for commercially viable properties, but not the Statue of Liberty. We don't want to pay for the marquee value."

Real-estate brokers and Asian investors said the interest in Los Angeles was partly a product of confidence in the region's improving economy and partly an example of bottom-fishing. Investors are capitalizing on real-estate values that are down nearly 50 percent from their late-1980s peak, battered by years of recession, cutbacks in the defense sector and a glut of office space.

CYBERSCAPE



Gilbert Amelio of Apple: More partners, less "gratuitous competition."

Discipline, Order, Thrift: Is This Apple Computer?

By Richard Covington
Special to the Herald Tribune

PARIS — After eight months as chief executive of Apple Computer Inc., Gilbert Amelio is bringing a dose of discipline to the company's creative but unruly corporate culture.

To back up an optimistic promise that he will bring the money-losing company back to profitability by next spring, Mr. Amelio is attempting to make partners rather than enemies, bypassing information-technology terrain already carved up by competitors.

The Apple chairman and chief is happy to watch from the sidelines as Microsoft Corp., Netscape Communications Corp. and Sun Microsystems Inc. battle one another for larger shares of the market for Internet browsers, the programs necessary to locate sites on the Internet and the World Wide Web.

"If I weren't in charge now, I'm certain Apple would be developing its own browsers," Mr. Amelio said in a recent interview.

With Netscape and Microsoft dominating the market, however, this would smack of the "gratuitous competition" he has sworn to eliminate from Apple.

Instead of trying to beat the browser makers, Apple is joining them as a partner. This week, Apple announced a three-year agreement to integrate its Quicktime video application with Sun's Java programming. Earlier in the month, the company signed agreements with Netscape to collaborate on an advanced browser and with Microsoft to sell the popular Office software with the latest Apple Macintosh computers.

The cooperation extends to improving existing products. After receiving complaints from Apple users that Microsoft's Windows software ran more slowly on Macintosh equipment than on PCs, Mr. Amelio said, he obtained a commitment from Microsoft Chairman Bill Gates to improve the software's performance on Apple products.

Few in the industry would dispute that a change of direction was needed at Apple. Faced with unprecedented losses last year, the company has declared war on costs, laying off 10 percent of its 14,000 employees so far, with another 1,400 job cuts planned.

Mr. Amelio said Apple's costs had dropped by 15 percent since he took office in February. According to sources within the company, Apple is expected to trim enough costs to become profitable this year with $9 billion in sales — $2 billion less than the company posted last year. When leaders of

See APPLE, Page 15

Italy Jobless Talks Falter on Cuts

Reuters

ROME — The government has postponed a national conference on unemployment that had been scheduled for this week after failing to reach agreement with unions and employers on new labor contracts.

The delay gives Prime Minister Romano Prodi's center-left government more time to work on the 1997 budget, which is to be presented Friday.

Treasury Minister Carlo Azeglio Ciampi wants to introduce as tough a package as possible, including cutbacks in spending for health and pension benefits, to prepare Italy for the launching of the single European currency in 1999.

But a key government supporter, the Communist Refoundation party, has refused to sanction any move to cut welfare spending and called for an urgent meeting Monday with Mr. Prodi and his parliamentary allies.

Faced with a tense week of budget meetings, Mr. Prodi decided to postpone the unemployment conference in Naples until an unspecified date next month.

By then, the government hopes to have an accord on new working practices aimed at easing Italy's unemployment, which is stuck at around 12 percent of the work force.

Talks among government, unions and business leaders on ways to cut unemployment faltered Saturday when the employers' federation, Confindustria, objected to a proposal to reduce the standard working week to 40 hours from 48 hours. A European Union directive requires the change to be introduced by the end of the year, but Confindustria is worried that the new limit will lead to a leap in overtime payments.

Despite the unexpected delay, all sides expressed confidence Sunday that an agreement would be found when they meet again Tuesday.

"We are very close to reaching a deal," Italian newspapers quoted Labor Minister Tiziano Treu as saying.

The government has already said its budget package will seek to reduce Italy's annual budget deficit by 32.4 trillion lire ($21.27 billion) next year, but analysts are skeptical that this target can be reached without cutting welfare spending.

Mr. Ciampi is reported to be eager to cut 2 trillion lire from pension spending, but Fausto Bertinotti, leader of Communist Refoundation, warned Saturday that the government could fall if it tried to cut pensions.

"We ask the government to quickly eliminate the threat" of pension cuts, "which is a threat not only to pensioners but to the government itself," Mr. Bertinotti said.

The government controls the Senate, or upper house of Parliament, but relies on the support of Communist Refoundation to control the lower house.

Italy currently fails to meet any of the criteria established by the Maastricht Treaty for countries wishing to sign up for the Euro, or single European currency, in 1999, and a weak budget would put the country even further behind in its bid to meet the terms.

Mr. Prodi warned in a newspaper interview over the weekend that any delay in joining the Euro, the first phase of monetary union, could prove fatal.

"I used to think a second group of countries could take part in a successive phase," Mr. Prodi told the daily La Stampa. "But I no longer believe that. The countries that are left out will remain only further and further behind."

■ German State Raises Benefits

Retail-industry unions and employers in the German state of North Rhine-Westphalia have agreed to pay 450,000 workers their full wages in case of sickness for another year, KRF/Global News reported Sunday from Frankfurt, quoting a published report.

The decision, reported in the Frankfurter Allgemeine Sonntagszeitung, came after the lower house of the German Parliament passed a law Sept. 13 allowing employers to cut sick pay to 80 percent of the normal wage.

Employers and the HBV and DAG white-collar unions also agreed to raise Christmas bonus pay to 62.5 percent of monthly salaries from 60 percent. Workers will receive an additional 20 percent bonus for late-evening work during the week and for most late-afternoon shifts on Saturdays.

GM Appears Ready to Let Hughes Go

By Keith Bradsher
New York Times Service

DETROIT — General Motors Corp. no longer believes it must control Hughes Electronics Corp. to benefit from its technology, executives of both companies say, but no decision has yet been made to sell the satellite communications, aerospace and auto electronics company.

Ever since GM bought Hughes Electronics a decade ago, the automaker has often said that owning it gave GM unlimited access to Hughes's laboratories.

GM still owns three-quarters of Hughes and has used that access to develop a variety of products, notably the dashboard navigation systems that are increasingly popping up in GM cars and trucks and use satellite signals to determine the vehicle's position.

But Harry Pearce, GM's vice chairman, and C. Michael Armstrong, Hughes's chairman and chief executive, said in separate telephone interviews Friday that GM did not need to own a majority stake in Hughes and might not need an ownership stake at all in order to benefit from its technology.

"I think that there are many forms of relationships that can permit technology transfer, and ownership is certainly one of them but not the only one," Mr. Armstrong said, emphasizing that he was speaking for himself and for Hughes, not necessarily for GM.

His remarks came after Hughes announced Friday that it had agreed to buy Panamsat, owner of the world's largest private satellite network, for $3 billion in cash and stock.

With the acquisition and Hughes' rapid growth, people close to GM said that Hughes executives were eager to free themselves from GM's oversight and strike out on their own.

Mr. Pearce said GM could retain full access to Hughes's labs through commercial contracts, even if GM gradually reduced its stake in Hughes to zero. But he said he saw a benefit to GM retaining some stake in Hughes, adding, "I wouldn't want that to be translated as a majority or controlling position."

While GM has usually cited technology transfer as its main reason for holding on to Hughes, Mr. Pearce and Mr. Armstrong noted that the subsidiary had also been an excellent investment for GM, having appreciated steadily in value. Mr. Pearce said that GM was managing its investment in Hughes to obtain the best price for shareholders.

Hilton Targets Asia Gaming Business

Bloomberg Business News

HONG KONG — Hilton Hotels Corp. said Sunday it saw opportunities for expanding its hotel and gaming businesses in the Asia-Pacific region after its recent reorganization.

"An important avenue of growth for us will be growth in the hotel business and, I hope, in the gaming business in Asia," Stephen Bollenbach, president and chief executive officer of Hilton Hotels Corp., said

In the Asia-Pacific region, Hilton operates two large casino-hotels in Australia using the Conrad International name, one in Brisbane and one on the Gold Coast in Queensland.

"The nature of our business is that it's a popular entertainment form but regulated," Mr. Bollenbach said. "So we're interested in going anywhere where the government will permit this form of entertainment."

Hilton's first hotel in Asia was the Conrad International Hong Kong, opened in 1989.

The company plans to open its second hotel in the region, the Conrad International Singapore, on Nov. 8. Conrad hotels are also expected to open in Jakarta in 1998 and Bangkok in 1999, and more are planned: Hilton says it is looking at opportunities in Vietnam, Japan and China and on the Indian subcontinent.

"We've got a number of projects that we're looking at, and our method of operation will be to go in and be an investor in properties, but our primary interest is to manage the properties," Mr. Bollenbach said.

After Hilton's merger with Bally Entertainment Corp. on June 6, Hilton said it became the world's largest gaming company. With its announcement Aug. 29 of a joint venture with Ladbroke Group PLC, Mr. Bollenbach said the company could expand with greater financial strength, a better marketing effort and a more recognized brand name than competitors. Ladbroke, based in Britain, has held the international rights to build Hilton hotels since 1964. Hilton operates 10 luxury hotels internationally under the Conrad International name, while Ladbroke has 160 Hilton International hotels.

"We're very excited about opportunities in Asia because of the growth that's apparent. We'll be coming here," Mr. Bollenbach said. "We're going to be a growth company." Mr. Bollenbach said he expected a growth rate of 25 percent to 30 percent a year.

He said he expected Hilton to open its first Asian three-star hotels, catering to business travelers on a budget, next year, but he declined to discuss the projects.

"We really don't have a plan that we're prepared to talk about right now," he said.

Kirch's Digital-TV Flop?

Bloomberg Business News

MUNICH — Kirch Group, a German media company, is expected to lose more than 1.1 billion Deutsche marks ($725 million) from digital television through 2000, Frankfurter Allgemeine Zeitung reported Sunday.

So far, only a few thousand subscriptions have been received for Kirch's DF1 digital television service, well below its goal of 200,000 customers by year-end, the paper said.

Analysts do not expect the venture to earn its first profit until 2000, the paper said. By then, the venture should have attracted as many as 2.5 million customers.

Separately, the high risks and the poor outlook for profits in digital television were cited by Bertelsmann AG as reasons for its decision to postpone its own plans for digital TV, Focus magazine reported in an advance release from its next issue.

Michael Dornemann, a Bertelsmann management board member, told the magazine he did not want to "bring Bertelsmann into profit difficulties just to keep up with Leo Kirch."

Last week, Bertelsmann put on the digital-TV brakes after Compagnie Luxembourgeoise de Telediffusion canceled plans to jointly develop the German Club RTL channel into a digital pay-TV channel.

CURRENCY RATES

Cross Rates

Sept. 20

	$	£	DM	F.F.	Lire	D.FI.	B.F.	S.F.	Yen	C$	Pesata
Amsterdam	1.696	2.641	1.1211	0.3208	0.1714*	—	5.4465*	1.3693	1.5457*	1.241	1.333*
Brussels	31.1575	48.5225	20.5865	6.077	2.955*	18.3695	—	25.15	0.2865	22.735	24.508*
Frankfurt	1.5165	2.356	—	0.3552	0.1898*	0.8921	4.8582*	1.2289	1.3825*	1.1072	1.1891*
London (a)	1.5558	—	2.3566	2.9843	2.2751.85	2.4483	48.3255	1.3283	170.67	2.1225	190.1779
Madrid	127.578	198.26	84.11	24.823	8.37*	73.023	4.084*	103.67	114.223*	93.143	—
Milan	1,524.10	2,370.69	1,005.75	296.48	—	895.55	48.796	1,229.20	13,664	1,113.65	11.95
New York (b)	—	1.5588a	1.5156	0.3325	1,921.80	1.6995	91.29	1.239	108.955	1.3673	127.49
Paris	5.1395	7.988	3.3894	—	0.3372*	2.8227	0.1646	4.1361	4.6021*	3.7522	4.029*
Tokyo	109.85	170.61	72.43	21.32	0.72	64.62	3.5197	88.28	—	80.19	0.8611
Toronto	1.3673	2.1248	0.9022	0.2664	0.0897*	0.8045	0.0383*	1.1035	1.2476*	—	1.072*
Zurich	1.2748	1.9802	0.859	0.2488	0.0837*	0.7509	3.9798*	—	1.1286*	0.9072	0.9747*
1 ECU	1.3625	0.8122	1.915	0.4887	1,624.36	2.1467	20.4157	1.5668	130.526	1.7293	163.046
1 SDR	1.4452	0.9384	2.1976	0.6276	2,282.80	2.4573	45.1844	1.7957	158.61	1.9822	184.348

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich. Rates in other centers.
*a To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	240.72	Mex. peso	7.52	S. Afr. rand	4.495
Australian $	1.2634	Hong Kong $	7.732	N. Zealand $	1.4284	S. Kor. won	823.00
Austrian sch.	10.67	Hung. forint	157.22	Norw. krone	6.4785	Swed. krona	6.613
Brazil real	1.0215	Indian rupee	35.72	Phil. peso	26.23	Taiwan $	27.50
Chinese yuan	8.3336	Indo. rupiah	2321.5	Polish zloty	2.79	Thai baht	25.26
Czech koruna	26.49	Irish £	0.620	Port. escudo	154.50	Turkish lira	99961.5
Danish krone	5.8331	Israeli shek.	3.1712	Russ ruble	5402.0	UAE dirham	3.6705
Egypt. pound	3.3945	Kow dinar	0.2995	Saudi riyal	3.75	Venez. bolfv.	474.50
Fin. mardka	4.5349	Malay. ring.	2.5006	Sing. $	1.408		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5521	1.5519	1.5518	Japanese yen	109.39	108.90	108.41
Canadian dollar	1.3679	1.3660	1.3642	Swiss franc	1.2385	1.2343	1.2308
Deutsche mark	1.5138	1.5103	1.5069				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiano (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

23rd September 1996



In celebrating the Kingdom's National Day, Saudi Arabia extends greetings to all people of goodwill around the world.

In the last 25 years, the Kingdom of Saudi Arabia has, with the help of God, successfully undertaken a development programme of unique dimensions.

	1970	1995
ECONOMIC RESOURCES		
Telephone lines in use	199	2,300
Megawatts of electricity generated	344	17,530,000
Land suitable for agriculture in hectares	500,000	1,500,900
Desalination capacity in millions of gallons	5	502
HUMAN DEVELOPMENT		
Pupils in schools	600,000	3,300,000
Students in higher education	8,000	170,000
Students in centres of professional training	578	10,000
HEALTH		
Hospitals	74	279
Primary health care centres	591	3,254

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CAPITAL MARKETS ON MONDAY

Britain's Floating-Rate Notes Fuel Hopes for Central Bank Changes

By Carl Gewirtz
International Herald Tribune

PARIS — A novel technical maneuver by the Bank of England has saved Britain an estimated $1.2 million in annual interest expenses and fanned expectations of further big changes in central bank operating procedures that could be a boon to the European bond market.

Britain's return to the international capital market last week, issuing $2 billion in five-year floating-rate notes to refinance a maturing issue, was certain to be a success because of the continuing drop in the amount of outstanding paper issued by top-rated borrowers. But the terms were aggressive — the notes were priced to yield effectively 19 basis points, or hundredths of a percentage point, below the benchmark London interbank offered rate when similarly rated paper was trading in the secondary market at around 13 basis points below Libor.

Nevertheless, the issue was a blowout. Traders attributed the success to an innovation that many see as potentially significant: The paper will be eligible for rediscounting, meaning that British banks can use the notes to meet their financial requirements with the central bank.

Although the Bank of England has extended this privilege to British government paper denominated in European currency units, which will become Euros when Europe's common currency is created, it is the first time foreign-currency paper has been granted this status.

In practical terms, one banker explained, "it guarantees that there will always be a demand for this paper with banks operating in the U.K." The central bank exploited this advantage by pricing the paper six basis points cheaper than would otherwise have been possible.

But what most excited bankers is the prospect that central bankers are becoming more open-minded about what paper is eligible as collateral. It is still an open question whether, once the common European currency is created, Euro-denominated notes issued by one government will be eligible at the central bank of another.

Continued segmentation, bankers warn, would handicap the emergence of a pan-European market in Euros and impede the tendency for government borrowing costs to converge.

"It's an interesting precedent," a London-based U.S. banker said. "Once central banks are prepared to accept more than one currency as collateral, surely the next logical step is to accept each other's paper in the same currency."

In the fixed-rate market, both Mexico and Ford Motor Co. issued global bonds, but the bulk of both issues was placed with U.S. investors. Nevertheless, Ford was able to use the additional sales outside the United States to price its $1 billion of five-year notes at 48 basis points over U.S. government paper, slightly cheaper than if it had only tapped the domestic market.

Demand for the high-yielding Mexican paper was such that the issue was increased to $1 billion from the initially targeted $750 million. But the 20-year life was too long for international investors, and managers estimated that only 10 percent was sold outside the United States. Carrying a coupon of 11.375 percent and offered at a discount of 98.945, the paper was priced to yield 445 basis points over comparably dated U.S. bonds.

As an example of how demand for high-yielding paper has increased, traders noted that the spread above U.S. issues that Mexico was paying for 20-year money was the same as it paid for five-year money at the start of this year. That five-year paper now trades at a spread of 273 basis points.

This week, Colombia is scheduled to tap the market for 300 million Deutsche marks.

Bondholders Brace for More Pain

Compiled by Our Staff From Dispatches

NEW YORK — U.S. bondholders, having just taken their worst losses in three weeks, may face more pain if the Federal Reserve Board meets the expectations of many investors by raising interest rates Tuesday.

Bond yields have risen recently amid fresh evidence that the U.S. economy is still chugging along without much sign of a letup. Housing starts surged in August, as industrial production and the plant-use rate also rose.

Worse from the perspective of bondholders was a news report suggesting that presidents at eight of the 12 Fed regional banks favored higher lending rates. Investors are growing more convinced the Fed will soon raise rates to brake economic growth.

"There may not be much of a slowdown," said Steve Vielhaber, who helps manage $35 billion of bonds for Bank of America in Los Angeles. "The market's saying the Fed is going to tighten and they're going to do it next week."

That sentiment helped drive the price of the benchmark 30-year Treasury bond down 1.125 points, or $11.25 for each $1,000 bond, last week. Its yield rose nine percentage points, to 7.04 percent, the biggest one-week jump in nearly a month.

Traders said there was a good chance the central bank would raise the federal funds rate, or rate on overnight bank loans, by a quarter-point, to 5.5 percent, when its policymakers met Tuesday in Washington. The meeting is expected to be contentious, with the strict anti-inflation faction, principally from the Fed's regional banks, arguing that the central bank needs to raise rates to keep inflation in check and the so-called doves, mostly political appointees on the Fed board in Washington, who question whether rates should rise when the economy is slowing.

U.S. CREDIT MARKETS

"There is a fundamental point of contention about how the economy's working," said James Annable, chief economist at First National Bank of Chicago. "It's a debate about how fast the economy is growing."

Any decision to raise rates is also bound to have political implications, with President Bill Clinton counting on low inflation and a growing economy to persuade voters to award him a second term Nov. 5.

While investors might approve of the Fed cracking down on inflation, a rate increase is not likely to drive bond prices higher, some analysts said.

"I think everyone would be happy if they did something, but I doubt there will be much of a rally" in bonds, said Tom Sowanick, chief fixed-income strategist at Merrill Lynch & Co. "We don't think they'll go just once."

Investors will be watching what the Fed says just as closely as what it does to gauge how serious it is about raising rates. The central bank often releases a statement after it concludes its regular meetings. If the statement suggests the Fed is going to raise rates several times, bond yields may be headed to 7.50 percent or even higher, investors said.

"It's possible that if they don't say much," bond investors will anticipate the next few rate increases by driving up bond yields, said James Midanek, who manages $500 million at Solon Asset Management in Walnut Creek, California. Bonds could rally, however, if the Fed indicates that it does not expect to raise rates much, he said.

The trouble is, the last time the Fed started raising rates, it did not stop for almost a year. Between February 1994 and February 1995, the central bank raised rates seven times, handing bond investors their worst year since 1949.

Although Fed executives have said repeatedly this year that they expect the economy to slow in the second half, there are still plenty of signs of brisk growth, Mr. Sowanick said.

"The market believes the Fed is a much better forecaster" than Wall Street, he said. "The fact is, they're no different than we are."

(Bloomberg, Reuters)

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 20. Prices supplied by Telekurs.

Rnk Name	Cpn	Maturity	Price	Yield
Australian Dollar				
180 Tsy Victoria	6½	12/15/98	98.8750	6.5700
Austrian Schilling				
205 Austria	5½	09/13/02	99.4000	5.5300
Belgian Franc				
160 Belgium	7	04/29/99	106.8700	6.5500
229 Belgium	9	03/28/03	117.40	7.6700
British Pound				
178 Britain	7½	12/07/06	97.9375	7.6600
Canadian Dollar				
211 Canada	6	03/15/98	101.0066	5.9400
Danish Krone				
12 Denmark	8	03/15/06	105.7800	7.5600
25 Denmark	8	11/15/01	108.4000	7.3800
34 Denmark	9	11/15/98	108.6200	8.2900
35 Denmark	9	11/15/00	111.9100	8.0400
37 Denmark	8	05/15/03	107.8000	7.4200
42 Denmark	7	12/15/04	101.0500	6.9300
65 Denmark	6	12/10/99	102.4500	5.8600
68 Denmark	7	08/15/97	102.7200	6.8100
74 Denmark	7	11/15/07	98.2000	7.1300
94 Denmark	7	02/15/98	103.8500	6.7400
120 Denmark	7	11/10/24	88.7200	7.8900
134 Nykredit 3 Cs	6	10/01/26	83.2500	7.2100
Deutsche Mark				
1 Germany	6¼	04/26/06	100.5467	6.2200
3 Germany	8	01/21/02	112.2620	7.1300
4 Germany	6½	10/14/05	102.3833	6.3500
5 Germany	6⅞	05/12/05	104.9700	6.5500
6 Germany	8¾	08/20/01	115.3000	7.5900
8 Germany	5⅛	11/21/00	101.1067	5.0700
9 Germany	8½	02/20/01	113.4867	7.4900
10 Germany	7⅜	01/03/05	108.3600	6.8100
11 Germany	6	01/05/06	98.8360	6.0700
13 Germany	8¼	09/20/01	113.1900	7.2900
14 Germany	6	02/16/06	98.7800	6.0700
15 Germany	5	05/21/01	100.1080	4.9900
16 Germany	5¼	02/21/01	101.1520	5.1900
18 Germany	5⅝	05/15/00	104.0400	5.6500
19 Germany	8⅝	05/21/01	113.3700	7.3900
20 Germany	8	07/22/02	112.3000	7.1200
21 Treuhand	7½	09/09/04	109.2500	6.8600
22 Germany	5⅝	08/22/00	103.4860	5.5600
23 Germany	6¼	01/04/24	91.2943	6.8500
24 Germany	5¾	08/20/98	103.7867	5.5400
26 Treuhand	6⅞	06/11/03	106.0700	6.4800
28 Germany	6½	07/15/03	103.9700	6.2500
30 Treuhand	7¾	10/01/02	110.9400	6.9900
32 Treuhand	6⅛	06/25/98	104.1700	5.8800
38 Germany	6¾	05/20/98	104.4000	6.1100
39 Treuhand	7⅛	01/29/03	107.6617	6.6200
40 Germany	7½	11/11/04	109.2200	6.8700
41 Germany	8	09/22/97	104.5733	7.6500
43 Treuhand	6⅝	07/09/03	104.5967	6.3300
44 Germany	9	01/22/01	115.3133	7.8000
47 Germany	zero	01/17/97	99.0230	3.0100
48 Treuhand	6¾	07/01/99	105.5600	6.0400
49 Treuhand	6¼	04/23/03	104.1300	6.2400
50 Germany	8¼	07/21/97	104.0480	7.9300
51 Treuhand	5⅝	09/24/98	103.6500	5.4300
52 Germany	7	12/22/97	104.3375	6.7100
53 Germany	8¾	07/20/00	113.70	7.7000
54 Germany	6	06/20/16	91.2160	6.5800
57 Treuhand	6⅛	03/26/98	103.7833	5.9000
58 Germany	6½	03/15/00	106.1200	6.1300
59 Germany	9	10/20/00	114.9400	7.8300
61 Germany	8	03/20/97	102.3400	7.8200
62 TVA	6¾	09/18/06	100.5161	6.3400
63 Treuhand	7⅜	12/02/02	108.9467	6.7700
66 Treuhand	6¾	05/13/04	104.7175	6.4500
70 Germany	6⅝	01/20/98	104.0500	6.3700
71 Germany	6¾	04/22/03	105.5425	6.4000
76 Germany	6	09/15/03	101.5529	5.9100
77 Germany	6⅝	09/15/99	106.9300	6.3100
79 Germany	6¾	07/15/04	104.7450	6.4400
80 Germany	8⅞	12/20/00	114.7300	7.7400
82 Germany	5¾	08/20/97	102.2200	5.6300
83 Germany	7¼	10/21/02	108.5675	6.6800
85 Treuhand	5	12/17/98	102.4300	4.8800
88 Treuhand	6¼	03/04/04	101.9400	6.1300
89 Germany	5¼	11/20/97	102.1700	5.1400
92 Germany	5¼	02/25/98	102.4100	5.1300
93 Germany	7⅛	12/20/02	107.7260	6.6100
95 Germany	7½	10/20/97	104.3500	7.1900
97 Treuhand	7	11/25/99	107.7100	6.5000
100 Germany	8½	08/21/00	112.9500	7.5300
102 Germany	6¾	08/14/98	104.8600	6.0800
105 Germany	2.848	09/30/04	99.0900	2.8700
106 Germany	7	01/13/00	107.7100	6.5000
108 Germany	7¼	10/20/97	104.0880	6.9700
109 Treuhand	6	11/12/03	101.0000	5.9400
112 Treuhand	5¾	04/29/99	104.0700	5.5300
116 Germany	5¼	02/22/99	103.3267	5.2000
124 Germany	6	02/20/98	103.4000	5.8000
129 Treuhand	5	01/14/99	102.4375	4.8800
130 Germany	5¼	10/20/98	103.0160	5.1000
131 Germany	6⅞	12/02/98	106.2600	6.4700
132 Treuhand	6¼	07/29/99	105.3600	5.9300
141 German States	6¼	08/21/06	99.1900	6.3000
146 Germany	6⅞	02/24/99	106.5100	6.4500
149 Germany	8⅜	01/20/97	101.6700	8.2400
154 Germany	7⅝	02/21/00	109.8160	7.0600
162 Germany	6⅝	05/20/97	102.0600	6.2500
166 Germany	6⅝	01/20/98	103.7100	6.1500
182 Germany	5¾	05/28/99	104.0100	5.5300
185 Sweden	5⅜	07/02/01	100.4000	5.3500
186 Germany	8¾	05/22/00	113.4200	7.7100
190 Deut Bahn	8½	07/02/01	113.4200	7.4900
199 Germany	6⅛	05/20/99	105.1000	5.8300
201 BVB	5¼	09/12/01	99.3688	5.2800
207 Credit Local	5½	10/18/00	101.8000	5.4000
220 Germany	6½	01/02/99	105.4133	6.1700
224 Credit Local	5.15	12/04/00	99.9000	5.1600
226 Austria	6	02/01/06	98.5500	6.0900
241 Germany	6¼	02/20/98	103.7100	6.0300
242 Argentina	11¾	05/20/11	101.5000	11.5800
Dutch Guilder				
17 Netherlands	5¾	09/15/02	101.6000	5.6600
33 Netherlands	6¼	07/15/98	104.5200	5.9800
46 Netherlands	8¼	06/15/02	114.1000	7.2300
64 Netherlands	6	01/15/06	99.7700	6.0100
75 Netherlands	5¾	01/15/04	99.8900	5.7600
90 Netherlands	8¾	09/15/01	115.8000	7.5600
99 Netherlands	8¼	02/15/00	111.6500	7.3900
101 Netherlands	9	01/15/01	115.6000	7.7900
107 Netherlands	7½	01/15/23	109.1500	6.8700
113 Netherlands	8¼	09/15/07	116.1000	7.1100
114 Netherlands	8½	06/01/06	117.45	7.2400
115 Netherlands	7	03/15/99	106.9500	6.5500
123 Netherlands	9	05/15/00	114.5500	7.8600
133 Netherlands	6¾	02/15/99	106.2000	6.3600
137 Netherlands	7½	04/15/10	110.3000	6.8000
139 Netherlands	6¾	11/15/05	105.0000	6.4300
140 Netherlands	7¼	10/01/04	108.8000	6.6600
143 Netherlands	7	06/15/05	106.8000	6.5500
145 Netherlands	6½	07/15/98	104.9500	6.1900
150 Netherlands	6½	04/15/03	105.0000	6.1900
157 Netherlands	8½	03/15/01	113.90	7.4600
168 Netherlands	7½	11/15/99	109.1500	6.8700
170 Netherlands	7	05/15/99	107.1200	6.5300
172 Netherlands	7½	06/15/99	108.5000	6.9100
191 Netherlands	7	02/15/03	107.8500	6.4900
196 Netherlands	7¼	03/01/05	111.8000	6.9300
203 NBC	zero	12/31/96	98.6375	4.9300
206 Netherlands	8¾	05/01/00	113½	7.7100
210 EIB	6	01/24/06	98.7500	6.0800
221 Netherlands	9¼	11/30/00	116.5300	7.9400
250 Netherlands	7	08/15/99	107.5000	6.5100
ECU				
84 France OAT	7½	04/25/05	106.5000	7.0400
86 France B.T.A.N.	6	03/16/01	101.7000	5.9000
111 France OAT	6	04/25/04	97.9500	6.1300
127 Britain	9⅛	02/21/01	113¾	8.0500
128 France OAT	7	04/25/06	101.0000	6.9300
161 France OAT	9½	04/25/00	113.1833	8.3900
197 France B.T.A.N.	5	03/16/99	100.5200	4.9700
204 France B.T.A.N.	7½	03/16/97	101.4600	7.3900
209 UK T-note	5¼	01/21/97	100.2600	5.2400
215 UK	zero	03/13/97	98.0673	4.1500
216 France OAT	8¼	04/25/22	110.1000	7.4900
223 UK T-note	8	01/27/98	104.3100	7.6700
228 France OAT	6¼	04/25/02	103.9917	6.4900
232 UK Tbills	zero	12/12/96	99.0485	4.1400
247 UK T-note	5	01/26/99	100.2650	4.9900
Finnish Markka				
174 Finland Serial s	7¼	04/18/06	103.3263	7.0200
French Franc				
144 France B.T.A.N.	4½	10/12/98	100.5900	4.4700
158 France OAT	7¼	04/25/06	107.6700	6.7300
159 France B.T.A.N.	5¾	03/12/98	102.4900	5.6100
173 France OAT	6	10/25/25	87.4100	6.8600
188 France B.T.A.N.	7	11/12/99	106.7700	6.5600
217 Axa	6	01/01/01	125.3696	4.7900
225 France OAT	8½	11/25/02	114.9100	7.4000
234 France OAT	5½	04/25/04	97.3400	5.6500
236 France OAT	8½	04/25/03	115.0500	7.3900
244 France B.T.A.N.	5¾	11/12/98	103.0600	5.5800
249 France B.T.A.N.	5¼	03/12/01	102.3100	5.6200
Italian Lira				
148 Italy	9½	02/01/06	103.3000	9.2000
165 Italy	9½	02/01/01	103.9200	9.1400
Japanese Yen				
198 World Bank	4½	06/20/00	110⅝	4.0700
230 Italy	3½	06/20/01	106.1250	3.3000
233 World Bank	4¾	12/20/04	114¾	4.1400
Spanish Peseta				
118 Spain	10.10	02/28/01	109.4080	9.2300
177 Spain	10.15	01/31/06	111.7400	9.0800
200 Spain	8.40	04/30/01	103.0970	8.1500
219 Spain	12¼	03/25/00	114.7570	10.6700
Swedish Krona				
72 Sweden	11	01/21/99	110.3300	9.9700
98 Sweden 1036	10¼	05/05/00	111.2300	9.2200
125 Sweden	6	02/09/05	89.4400	6.7100
155 Sweden	13	06/15/01	123.5100	10.5300
195 Sweden	10¼	05/05/03	114.4100	8.9600
214 Sweden Tbills	zero	03/19/97	97.6268	4.8000
U.S. Dollar				
2 Argentina FRN	6⅝	03/29/05	82.6900	7.6300
7 Brazil Cap S.L.	4½	04/15/14	73.0764	6.1600
27 Argentina par L	5¼	03/31/23	57.0000	9.2100
29 Venezuela	6¾	12/18/07	80.1200	8.2700
31 Brazil L	6½	04/15/06	87.0000	7.4700
36 Brazil 910.0	6⅝	01/01/01	96.7500	6.9100
45 Italy	7	09/18/01	100.0000	7.0000
55 Mexico par A	6¼	12/31/19	68.8800	9.0700
56 Mexico	11½	05/15/26	98.1250	11.7200
60 Mexico par B	6¼	12/31/19	68.8800	9.0700
67 Brazil par ZI	5	04/15/24	58.4069	8.5600
69 Brazil S.L.	6⅝	04/15/12	74.8800	8.7600
73 Venezuela par A	6¾	03/31/20	67.4400	10.0100
78 Brazil S.L.	6⅝	04/15/09	81.0000	8.1000
81 EIB	7⅛	09/18/06	100.6250	7.0800
87 Brazil S.ZI	6½	04/15/24	75.4400	8.6200
91 Bulgaria	6⅝	07/28/11	42.6682	15.6700
96 Mexico A	6.398	12/31/19	84.6200	7.5600
103 Argentina	5.406	04/01/01	117.20	4.6100
104 Mexico B	6.391	12/31/19	84.6200	7.5500
110 Ecuador par	3¼	02/28/25	39.0000	8.3300
117 Ecuador	3	02/28/15	52.8924	5.6700
119 Mexico D	6.453	12/28/19	84.6200	7.6300
121 Bco Com Ext.	7¼	02/02/04	85.0000	8.5300
122 Bulgaria	6⅝	07/28/24	48.8800	13.6800
126 Italy B	zero	01/10/01	74.3750	7.1100
135 Sallie Mae	4½	08/02/99	94.6250	4.7600
136 Bulgaria	2¼	07/28/12	30.5244	7.3700
138 Nigeria	6¼	11/15/20	58.3800	10.7100
142 Britain	6¾	07/19/01	99.8750	6.7600
147 Poland	3¾	10/27/14	79.6270	4.7100
151 British Gas Intl	zero	11/04/21	14⅛	8.1000
152 Venezuela par B	6¾	03/31/20	67.4400	10.0100
153 Mexico	9¾	02/06/01	101.6250	9.5900
156 Mexico	7⅝	08/06/01	100.1500	7.6800
163 Mexico C	6.352	12/31/19	84.6200	7.5100
164 World Bank	6⅝	08/21/06	97.2500	6.8100
167 Canada	6¾	08/28/06	97.3750	6.9300
169 Brazil Cbond S.L.	4½	04/15/14	63.0950	7.1300
171 Italy	6⅞	09/27/23	89.0000	7.7200
175 Fannie Mae	5.449	09/06/00	99.7200	5.4600
176 Argentina	8¼	12/20/03	88.3750	9.4800
179 Panama pdi	4	07/17/16	68.8193	5.8100
181 Canada	6½	05/30/01	99.0000	6.5700
183 World Bank	6⅜	05/24/01	98.8750	6.4500
184 Mexico	zero	11/27/96	125.6669	-
187 Poland	6⅞	10/27/24	96.0000	6.7100
189 Venezuela S.A	6⅜	03/18/07	81.7100	7.8000
192 Ecuador	6½	02/28/25	61.2650	10.6100
193 Italy A	6	01/10/01	96.3750	6.2300
194 Sweden	4½	03/24/99	95.5000	4.7100
202 Argentaria	6⅜	02/14/06	90.6250	7.0300
208 Panama	3½	07/17/14	61.8734	5.6600
212 Denmark	6¼	12/30/99	101.2000	6.1800
213 Argentina L	6⅞	03/31/23	73.3800	8.7700
218 Philippines	6¼	12/01/17	70.6997	8.8400
222 Mexico	7.102	03/30/08	99.7500	7.1200
227 World Bank	8⅜	10/01/99	105.5000	7.9400
231 BadWuert L Fin	8⅛	01/27/00	103.7500	7.8300
235 Canada	5.285	02/10/99	99.6600	5.3000
237 Italy	8¾	02/08/01	107.2500	8.1600
238 IADB	6⅛	03/08/06	93.5000	6.5500
239 Venezuela	6¾	03/31/20	76.2500	8.3600
240 World Bank	8⅛	03/01/01	106.0000	7.6700
243 Britain	7¼	12/09/02	102.5000	7.0700
245 Argentina		09/01/02	99.8500	100.2000
246 Argentina	5.406	04/01/07	100.5000	5.3800
248 Argentina	6⅝	03/29/05	82.9578	7.6100

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Bakrie Int'l Finance	$100	1999	open	100.00	—	Interest will be 2 to 2¼ over 6-month Libor. Redeemable in 1998. Fees 0.50%. Denominations $100,000. (Peregrine Fixed Income.)
Britain	$2,000	2001	⅛	99.745	—	Below 3-month Libid. Callable at par from 1999. Fees 0.15%. (Barclays de Zoete Wedd.)
Nordbanken	$125	perpt	0.70	99⅞	—	Interest will be 0.70 over 3-month Libor until 2001, when issue is callable at par, thereafter 2.23 over. Fees 0.50%. Denominations $10,000. (J.P. Morgan Securities.)
Stadshypothek	$100	2001	0.05	99.95	—	Over 3-month Libor. Noncallable. Fees 0.15%. Denominations $10,000. (Chase Manhattan Int'l.)
Student Loan Marketing Association	$957.3	2004	0.48	100.00	—	Over 3-month Treasury bills. Average life 2.4 years. Fees 0.225%. Also $495 million, due 2005 and paying 0.64 over T-bills. (J.P. Morgan Securities.)
Westpac Banking	$500	2001	libor	99.84	—	Interest will be the 3-month Libor. Callable at par from 1999. Fees 0.15%. (HSBC.)
Spintab	DM200	2001	0.10	100.175	—	Over 3-month Libor. Noncallable. Fungible with outstanding issue, raising total amount to 600 million marks. Fees 0.175%. (CSFB Effectenbank.)
Den Danske Bank	£75	2007	⅜	100.00	—	Interest will be ⅜ over 3-month Libor until 2004, when issue is callable at par, thereafter 1⅜ over. Fungible with outstanding issue, raising total amount to £200 million. Fees 0.79%. Denominations £10,000. (Salomon Brothers Int'l.)
Fennica	FM775	2024	0.19	100.00	—	Interest will be 0.19 over 6-month Helibor until 2001, when issue is callable at par, thereafter ¼ over. Fees 0.25%. Denominations 1 million markkaa. (ING Barings.)
Barclays Bank	Y20,000	2006	0.10	100.20	—	Interest will be 0.10 over 3-month Libor until 2001, when issue is callable at par, 0.60 over thereafter. Fees 0.40%. (Barclays de Zoete Wedd.)
Fixed-Coupons						
Bayer	$250	2001	6¾	100.87	99.22	Reoffered at 99.745. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
Ceval Alimentos	$100	2004	11⅛	99.505	—	Semiannually. Redeemable at 97¾ in 1999. Fees 1%. Denominations $10,000. (Citibank Int'l.)
Depfa	$200	1998	6⅜	100.855	99.63	Reoffered at 99.755. Noncallable. Fees 1⅛%. (Commerzbank.)
Ford Motor Credit	$1,000	2001	7	99.602	99.59	Semiannually. Noncallable. Fees 0.35%. (Goldman Sachs Int'l.)
Mexico	$1,000	2016	11⅜	98.945	99.25	Semiannually. Noncallable. Fees not disclosed. (Goldman Sachs Int'l.)
Morocco Investments	$100	2001	10	101¼	—	Semiannually. Reoffered at par. Callable at par in 1999. Fees 2%. (Paribas Capital Markets.)
Philippine Commercial Int'l Bank	$100	2001	7¾	99.902	—	Noncallable. Fees 0.50%. Denominations $10,000. (Merrill Lynch Int'l.)
Siam City Bank	$115	2001	7⅜	99.474	—	Semiannually. Noncallable. Fees 0.50%. Denominations $10,000. (J.P. Morgan Securities.)
SBC Jersey	$250	2002	6¾	101.38	99.60	Reoffered at 99.78. Noncallable. Fees 1⅞%. (SBC Warburg.)
Tokyo	$250	2006	7⅛	99.98	99.36	Noncallable. Fees 0.325%. Denominations $10,000. (IBJ Int'l.)
Uruguay	$100	2006	8⅜	99.573	—	Noncallable. Fees 0.75%. Denominations $100,000. (CS First Boston.)
BankAmerica Credit Card Corp.	DM1,250	2005	6	102.22	—	Reoffered at 99.77. Noncallable. Fees 2⅛%. Denominations 100,000 marks. (Salomon Brothers Int'l.)
Denmark	DM500	2001	5	101.09	99.90	Reoffered at 99.34. Noncallable. Fees 2%. (Nomura Int'l.)
European Investment Bank	DM300	2001	5⅛	101.32	99.85	Reoffered at 99.945. Noncallable. Fees 1⅞%. (WestLB.)
Minnesota Mining & Manufacturing	DM250	2001	5	101.45	99.70	Reoffered at 99.70. Noncallable. Fees 2%. (Goldman Sachs Int'l.)
SNAP	DM150	2009	11½	101.00	—	Reoffered at 99¼. Callable at par in 2002. Fees 2½%. (ING Barings.)
South Africa	DM500	2003	7	101.77	99.45	Reoffered at 99.57. Noncallable. Fees 2⅛%. (Deutsche Morgan Grenfell.)
Toyota Motor Credit Corp.	DM300	2001	5⅛	102.05	99.42	Reoffered at 99.80. Noncallable. Fees 2⅛%. (CSFB Effectenbank.)
Abbey National Treasury Services	£200	2003	7¼	101.547	—	Reoffered at 99.972. Noncallable. Fees 1⅞%. (Goldman Sachs Int'l.)
NPI Finance	£30	perpt	9⅜	101.327	—	Noncallable. Fungible with outstanding issue, raising total amount to £130 million. Fees 0.625%. (Dresdner Bank.)
Electrolux	FF1,000	2004	6½	101.39	99.83	Reoffered at 99.94. Noncallable. Fees 1⅞%. (Banque Nationale de Paris Capital Markets.)
Bayerische Hypothekenbank und Wechsel Bank	ITL250,000	2001	8.55	101.755	100.02	Interest will be 8.55% until 1998, when issue is callable at par, thereafter 9%. Fees 1⅞%. (Monte dei Paschi di Siena.)
Deutsche Finance Netherlands	ITL1 T	2021	zero	11.7409	11.60	Issue is for 1 trillion lire. Yield 8.95%. Reoffered at 11.5909. Noncallable. Proceeds 117 billion lire. Fees 0.25%. (Deutsche Morgan Grenfell.)
World Bank	ITL1 T	2011	zero	29.196	27.50	Issue is for 1 trillion lire. Yield 9.03%. Reoffered at 27.346. Callable at 64.784 in Oct. 2006. Proceeds 286 billion lire. Fees 2%. (Banca Commerciale Italiana.)
General Electric Capital Corp.	DF200	2001	5	101.235	99.50	Reoffered at 99.61. Noncallable. Fees 1⅞%. (ING Barings.)
LW Rentenbank	DF250	2001	5⅛	101.305	99.70	Reoffered at 99.68. Noncallable. Fees 1⅞%. (Rabobank Int'l.)
European Investment Bank	SP34,800	2000	zero	100.00	—	Redemption amount at maturity will be linked to the performance of the Ibex-35 stock index. Issue split into six tranches. Noncallable. Fees 0.10%. (Banco Santander de Negocios.)
European Investment Bank	PTE20,000	2016	8	100.622	—	Noncallable. Fees 1⅝%. (Banco CISF.)
Fennica	FM675	2024	6.32	100.00	—	Interest will be a fixed 6.32% until 2003, when issue is callable at par, thereafter ¼ over 6-month Helibor. Fees 0.25%. Denominations 1 million markkaa. (ING Barings.)
Inter-American Development Bank	Y10,000	1999	5¾	98.5375	—	Redemption at maturity will be in Australian dollars. Noncallable. Fees 0.1875%. (Daiwa Europe.)
SBAB	Y15,000	1998	5.80	100.00	—	Semiannually. Redemption at maturity will be in Australian dollars. Noncallable private placement. Fees 1.60%. (Wako Int'l.)

The Week Ahead: World Economic Calendar, Sept. 23-27

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Euromoney Publications PLC conference on Philippine capital markets and investments, Monday and Tuesday. **Manila:** Microsoft Corp., Digital Equipment Inc. and BusinessWorld Publishing Corp. sponsor conference on the Internet through Thursday.	**Bern:** Swiss Federal Statistics Office expected to release consumer price index for September and trade figures for August. **Frankfurt:** Bundesbank may release revised figures for July factory orders, and industrial production.	**Washington:** World Bank and International Monetary Fund annual meetings, through Oct. 3.
Monday Sept. 23	**Hong Kong:** Consumer price index for August. **Jakarta:** Minority shareholders of PT Gajah Surya Multifinance vote on plan to buy 52 percent of PT Bank Dagang Nasional Indonesia from both companies' majority holders.	**Killarney, Ireland:** European Union agriculture ministers meet for talks centering on British beef export ban. **London:** Second-quarter balance of payments data expected.	**Santiago:** Trade statistics for August and economic growth for July. **Earnings expected:** Magna International Inc.
Tuesday Sept. 24	**Hong Kong:** Retail sales for July. **Manila:** Philippine Airlines shareholders' deadline to subscribe to capital increase. **Tokyo:** July diffusion index of economic indicators.	**Rome:** July industrial production. **Stockholm:** Central bank's inflation report. **Earnings expected:** Banca Ambrosiano Veneto SpA, Credito Italiano SpA, Laura Ashley Holdings PLC, Tarmac PLC.	**New York:** Johnson Redbook and Mitsubishi Bank-Schroder Wertheim reports on retail sales. **Washington:** American Petroleum Institute weekly report on petroleum stocks, production, imports and refinery utilization.
Wednesday Sept. 25	**Taipei:** Central bank reports August money supply growth and foreign exchange reserves. **Tokyo:** August auto production and retail sales.	**Stockholm:** August producer price index. **Vienna:** Bank Austria AG report on the Vienna economy. **Earnings expected:** Bertelsmann AG, Montedison SpA.	**Arlington, Virginia:** American Gas Association's U.S. natural gas inventory report. **Caracas:** Weekly auction of short-term government securities.
Thursday Sept. 26	**Manila:** Music Semiconductors Corp. begins trading on the stock exchange. **Tokyo:** August crude oil import figures.	**London:** Data on worldwide trade for July and trade with non-EU countries for August. **Earnings expected:** Olivetti SpA, Guinness PLC.	**Bethesda, Maryland:** Food and Drug Administration advisory committee reviews Knoll Pharmaceutical Co.'s obesity drug Meridia and Novo Nordisk A/S's recombinant Factor VIIa.
Friday Sept. 27	**Hong Kong:** External trade figures for August. **Melbourne:** National Mutual Holdings Ltd.'s offer of shares to retail investors closes.	**Brussels:** European Union telecommunications ministers meet. **London:** Monthly mortgage lending to the end of August. **Rome:** July unemployment.	**Buenos Aires:** Industrial production figures for August. **Caracas:** Weekly international reserves and money supply figures. **Washington:** Federal Open Market Committee releases minutes of its August meeting.

Last Week's Markets

Stock Indexes

United States	Sept. 20	Sept. 13	% Ch'ge
DJ Indus.	5,888.46	5,838.99	+0.85
DJ Util.	219.46	218.56	+0.41
DJ Trans.	2,100.71	2,057.62	+2.09
S & P 100	665.39	656.90	+1.29
S & P 500	687.02	680.54	+0.95
S & P Ind	814.65	803.81	+1.35
NYSE Cp	365.77	363.70	+0.57
Japan			
Nikkei 225	21,112.24	20,842.64	+ 1.29
Britain			
FTSE 100	3,964.10	3,967.90	—0.10
Canada			
TSE Indus.	5,287.47	5,243.27	+0.84
France			
CAC 40	2,079.46	2,062.39	+ 0.83
Germany			
DAX	2,646.10	2,595.96	+ 1.93
Hong Kong			
Hang Seng	11,592.40	11,369.04	+ 1.96
World			
MSCIP	781.64	N.A.	—

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States	Sept. 20	Sept. 13
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5 5/16	5¼
Japan		
Discount	0.50	0.50
Call money	0.46	0.48
3-month interbank	0.56	0.51
Britain		
Bank base rate	5¾	5¾
Call money	5¾	5 11/16
3-month interbank	5 13/16	5¾
France		
Intervention rate	3.25	3.35
Call money	3⅝	3½
3-month interbank	3 9/16	3⅝
Germany		
Lombard	4.50	4.50
Call money	3.05	3.07
3-month interbank	3.14	3.15

Gold	Sept. 20	Sept. 13	% Ch'ge
London p.m. fix.$	381.75	382.10	- 0.09

Euromarts

Eurobond Yields

	Sept. 20	Sept. 13	Yr high	Yr low
U.S. $, long term	7.06	N.A.	7.28	6.17
U.S. $, mdm term	6.70	—	6.81	5.61
U.S. $, short term	6.29	—	6.48	5.19
Pounds sterling	7.45	—	7.88	6.99
French francs	5.49	—	6.38	5.49
Italian lira	8.72	—	10.45	8.58
Danish kroner	5.97	—	6.51	5.95
Swedish kronor	6.28	—	8.55	6.28
ECUs, long term	6.54	—	7.50	6.54
ECUs, mdm term	5.67	—	6.56	5.67
Can. $	6.71	—	7.41	6.56
Aus. $	7.77	—	9.04	7.77
N.Z. $	8.26	—	9.37	7.04
Yen	2.46	—	2.78	2.28

Source: Luxembourg stock exchange.

Weekly Sales

Sept. 19

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	72.0	58.3	2,136.8	409.8
Convert.	—	3.8	100.3	50.6
FRNs	114.5	314.4	553.0	91.4
ECP	10,203.3	7,009.2	10,240.6	11,101.5
Total	10,389.8	7,385.7	13,030.7	11,653.3

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	17,436.6	16,266.7	61,774.9	27,876.1
Convert.	652.7	626.5	2,217.5	1,868.8
FRNs	13,473.7	4,485.7	62,048.4	5,544.7
ECP	9,377.7	10,265.3	15,938.2	25,180.1
Total	40,940.7	31,644.2	141,999.	60,469.9

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 7/16	5 9/16	5¾
Deutsche mark	3 1/16	3	3⅛
Pound sterling	5⅞	5 15/16	6⅛

	1-month	3-month	1-month
French franc	3½	3½	3½
ECU	4 1/16	4 5/16	4¼
Yen	[illegible]	[illegible]	[illegible]

Sources: Lloyds Bank, Reuters.

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Treasury's Rubin Turns Into a Campaign Asset

By David E. Sanger
New York Times Service

WASHINGTON — A few years ago, President Bill Clinton's political advisers were fuming about Treasury Secretary Robert E. Rubin's relentless focus on satisfying America's bond markets, fearing that his insistence on cutting the deficit would prove politically disastrous.

But now some of those same advisers, rejoicing in the latest opinion polls, argue that the bond markets were in fact a proxy for a majority of American voters, who seem to have decided that Mr. Clinton deserves credit for his handling of the economy.

There is little question that Mr. Rubin, 58, once viewed as a political novice from Wall Street, is regarded in Washington these days as a man who has worked some quiet economic magic for Mr. Clinton.

When the president declares at every campaign stop that he will endorse only "targeted tax cuts that are fully paid for" by budget cuts — an effort to cast challenger Bob Dole's call for a 15 percent cut in taxes in the most unfavorable light — the words have a familiar ring. Mr. Rubin has been using a similar phraseology for two years.

Working out of the limelight, Mr. Rubin's Treasury has also generated campaign-year initiatives that create big headlines but cost relatively little.

These include a tax credit for employers who hire longtime welfare recipients, as well as tax incentives for private investment in community-development banks and for venture funds that back projects in low-income communities. The measures sound good in a campaign speech, and their cost would be only $430 million.

The former co-chairman of Goldman, Sachs & Co. has also headed off potential political disasters three times in the past 20 months.

He engineered a risky bailout of Mexico that, while wildly unpopular at the time, appears to have worked: Three-quarters of the $12 billion in loans has been paid back, ahead of time and ahead of the election.



Jean-Christophe Kahn/Reuters
Treasury chief Robert Rubin.

In the heat of the budget battles last winter, moreover, Mr. Rubin outmaneuvered Republicans in Congress who were trying to force the White House to accede to their budget demands by cutting off the Treasury's borrowing authority.

Stepping up the pressure day by day, Mr. Rubin portrayed them as zealots who were threatening to put the United States into default.

They surrendered.

"I'm working on the supposition that good economics can also be good politics," Mr. Rubin said recently. Flashing something between a grimace and a smile, he added, "I'll admit that not everyone believes that."

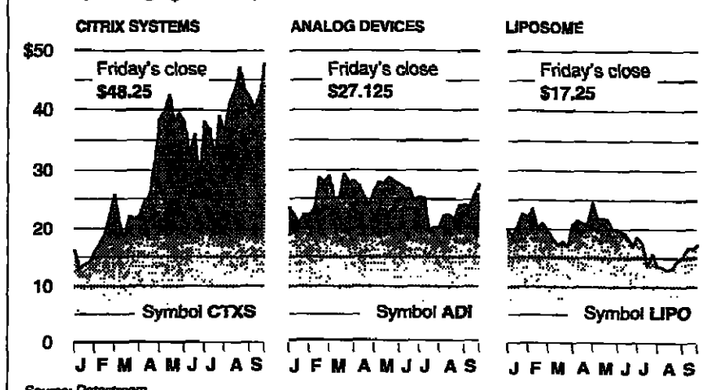
While it is difficult to overstate Mr. Rubin's influence on everything from tax policy to the budget to economic foreign policy, he has hardly won every argument.

This summer, he advised Mr. Clinton not to sign the welfare bill; he was overruled. A month earlier, he was clearly uneasy with the imposition of sanctions on non-U.S. companies that did business with Cuba, arguing that it was an extraterritorial use of American law that would undercut efforts to win cooperation from allies and trading partners, including Canada, Mexico and Britain.

Mr. Clinton went ahead, although with watered-down sanctions that are not due to go into effect before next year, if ever.

A Portfolio's Picks

Weekly stock prices since the beginning of the year, for three companies in the Ivy Emerging Growth portfolio.



Source: Datastream

The New York Times

When Volatility Is a Plus

By Carole Gould
New York Times Service

NEW YORK — Small stocks took a beating in June and July, leaving many investors unnerved. Still, rough pockets like the one this summer are an unavoidable part of investing in small-company stocks, which are volatile by nature.

In the hands of astute and patient investors, moreover, volatility can represent opportunity. The $88 million Ivy Emerging Growth fund, for instance, was hit hard in July by the sell-off in technology shares,

INVESTING

which are the biggest chunk of the fund. It lost nearly 20 percent, compared with 14.4 percent for the average small-company fund, according to the fund researchers Morningstar Inc. But for the 12 months through Thursday, the Ivy fund holds a lead of more than seven percentage points over its peers, with a 21.9 percent total return. It also outpaced its group over the past three years, gaining 23.2 percent a year on average, compared with 15.7 percent for all small-company funds, Morningstar said.

"So far, it looks like a classic example of an emerging growth fund," said John Rekenthaler, publisher of Morningstar Mutual Funds. Still, he noted that it was a young fund, started in April 1993.

James Broadfoot, who manages the fund from Boca Raton, Florida, said he looked for companies with earnings growth averaging about 35 percent a year. "To get that, you're almost forced to look at smaller companies," he said, not just because it is easier to grow from a smaller base but also many small companies are more "flexible and opportunistic."

The average price of stocks in the fund is about 24 times estimated 1997 earnings, compared with about 16 for the Standard & Poor's 500-stock index. Though he does not mind paying up for companies with superior earnings promise, Mr. Broadfoot said he would "think twice" about paying more than 30 times 1997 earnings.

When profits slip, however, Mr. Broadfoot is unforgiving. "If the business doesn't meet earnings even one quarter," he said, "I'd be very likely to sell the entire portion unless there was a good reason."

Even if Rates Rise, Dollar's Upside Seems Limited

By Carl Gewirtz
International Herald Tribune

PARIS — Amid a surge of confidence that European monetary union will take place as scheduled in 1999 — which is weakening the Deutsche mark — analysts say the dollar is poised to rise if Federal Reserve Board policymakers do the expected and increase U.S. interest rates when they meet Tuesday.

The question of what the Fed will do has roiled financial markets for weeks, and last week's retreat in U.S. bond prices, which pushed the yield on long-term government paper back over 7 percent, was seen as a further sign that the market thinks rates will be raised.

Without a rate increase, which would make the dollar more attractive, it is questionable whether the mark's weakness in Europe will translate into gains for the dollar. The dollar ended the week at 1.5155 DM, disappointing technical analysts, who see the dollar's inability to rise over 1.5160 DM as a roadblock to further progress.

Even before the weekend meeting of European ministers, who further clarified key procedures for the transition

FOREIGN EXCHANGE

to monetary union, the mark had weakened sharply on perceptions that monetary union would take place.

The presentation of the French budget turned the mood in Europe. Although the French government was able to propose a budget deficit for next year of 3 percent of gross domestic product only because of a transfer of 37.5 billion francs ($7.3 billion) from France Telecom, the meeting of the 3 percent target — the maximum for a country aspiring to membership in the common currency — was essential to restoring confidence.

"It means there will be no problem from the Germans, who are insisting on a strict interpretation on the rules for entry, but most importantly it eliminates the risk that the EMU process would further weaken the French economy," said Patrick Artus, chief economist at Caisse des Depots.

Otherwise, he said, the government would have been under pressure to either sharply cut spending or raise revenue just as it needs to spur growth from the anemic 1.5 percent expected this year to the 2.3 percent targeted for next year. The franc rose on news that the government had finessed the budget issue and then rallied further when the Bank of France cut a short-term interest rate.

But analysts are already questioning how much further the mark can weaken within Europe. Massive rallies in traditionally high-yielding European bond markets such as Italy's have narrowed spreads above German bond rates to levels not seen since late 1993. That has made it less attractive for investors to move into those higher-yielding currencies.

The foreign-exchange market, said Neil MacKinnon at Citibank in London, is "already overweight in holding dollars and underweight in DM." He added that currently, "market flows are very light, and fund managers are in no mood to aggressively add to their dollar holdings."

Jim O'Neill at Goldman Sachs in London said the dollar "could have a couple of good weeks," assuming the Fed does raise interest rates. But, he added, "Lots of corporations are waiting to sell the dollar at 1.55 DM."

APPLE: *Under Amelio, a New Sense of Humility*

Continued from Page 13

top U.S. technology companies debate the future of their industry, Mr. Amelio takes the middle ground. While Mr. Gates insists that desktop computers will continue to dominate information technology, Lawrence Ellison, chairman of Oracle Corp., responds with equal insistence that cheaper alternatives relying on programs stored in distant servers, so-called networked computers, will soon supplant the PC.

"Networked computers will never take over completely from desktop computers," Mr. Amelio said, but will become "a strong complementary technology" and "just another arrow in your technological quiver."

Apple's own stripped-down version of a networked computer, the Pippin, a $700 device that enables viewers to browse the Internet over their televisions, has been on the market in Japan for a year and is scheduled to go on sale in Europe next spring.

Speaking after his keynote address at Apple Expo, an industry exhibition in Paris that ended Sunday, Mr. Amelio freely criticized the company he is struggling to reinvent.

"Everyone at Apple was trying to be the Lone Ranger, spending a lot of time on one-off efforts that were not well-integrated," he said. "They all wanted to be creative geniuses coming up with products that change the world every Tuesday."

Rather than competing in every aspect of new technology, Mr. Amelio imposed a strategy whereby Apple would "compete only where we can add value and make partners everywhere else."

The recently announced collaboration with Netscape to develop a new Internet browser called Cyberdog is a case in point. Mr. Amelio said that when Apple engineers bristled at the partnership, asserting that they could develop a browser that would be three times as good, he brought them up short, asking them, "What would be the point of reinventing this particular wheel?"

Over the past six months, Apple has streamlined its product line to offer a smaller, more targeted range of computers. Gone are losing propositions such as e-World, the company's doomed on-line venture, and Apple's dizzying but often confusing array of hardware.

"We've been paying too much attention to changes the customer didn't notice," Mr. Amelio said.

Industry analysts agreed. "Apple had earned a dubious reputation for delivering the wrong product at the wrong time," said Charles Smulders, an analyst with Dataquest Europe Ltd.

Like many other computer makers, Apple is moving toward building machines to order, rather than trying to meet purchase forecasts that have often left the company with overflowing warehouses, Mr. Smulders said. But Apple "desperately needs to crank up its inventory turnover to keep pace with other manufacturers," he said.

To speed up the process, Mr. Amelio has imposed some elementary management principles. Managers now have a checklist to guide decision-making and a document spelling out what authority they have and how to delegate.

Guidelines such as these "existed before but were never put to use consistently," Mr. Amelio said.

GROUPE INDOSUEZ FUNDS MANAGEMENTCOMPANY S.A.
Registered Office: 39, Allée Scheffer
L-250 Luxembourg
RC Luxembourg B. 22.747

TO THE UNITHOLDERS OF THE GROUPE INDOSUEZ FUNDS

DIVIDEND ANNOUNCEMENT

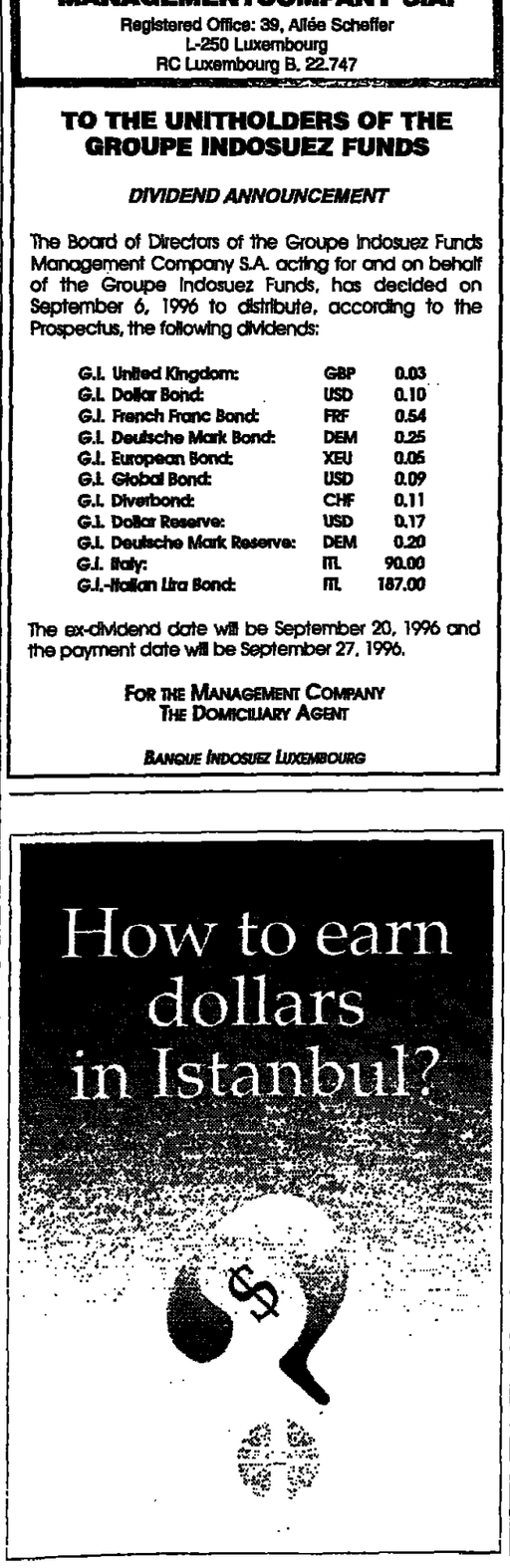
The Board of Directors of the Groupe Indosuez Funds Management Company S.A. acting for and on behalf of the Groupe Indosuez Funds, has decided on September 6, 1996 to distribute, according to the Prospectus, the following dividends:

G.I. United Kingdom:	GBP	0.03
G.I. Dollar Bond:	USD	0.10
G.I. French Franc Bond:	FRF	0.54
G.I. Deutsche Mark Bond:	DEM	0.25
G.I. European Bond:	XEU	0.06
G.I. Global Bond:	USD	0.09
G.I. Diverbond:	CHF	0.11
G.I. Dollar Reserve:	USD	0.17
G.I. Deutsche Mark Reserve:	DEM	0.20
G.I. Italy:	ITL	90.00
G.I.-Italian Lira Bond:	ITL	187.00

The ex-dividend date will be September 20, 1996 and the payment date will be September 27, 1996.

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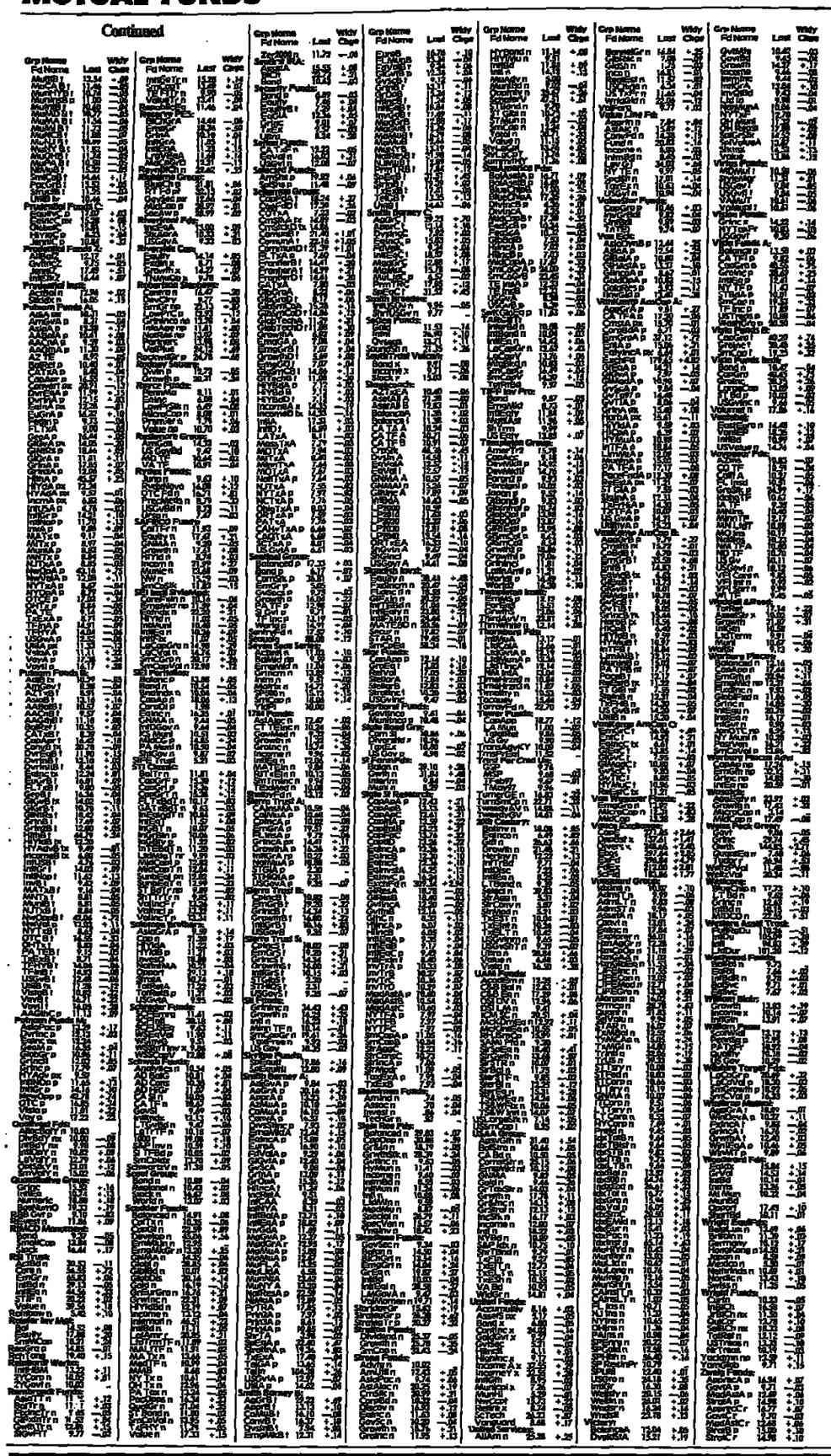
GERMANY'S MORTGAGE BANKS

- DEPFA-BANK, WIESBADEN
- BAYERISCHE VEREINSBANK AG, MÜNCHEN
- HYPO-BANK, MÜNCHEN
- FRANKFURTER HYPOTHEKENBANK CENTRALBODEN AG, FRANKFURT
- DEUTSCHE HYPOTHEKENBANK FRANKFURT AG, FRANKFURT
- RHEINHYP, FRANKFURT
- BERLIN-HANNOVERSCHE HYPOTHEKEN-BANK AG, BERLIN AND HANNOVER
- DEUTSCHE GENOSSENSCHAFTS-HYPOTHEKENBANK AG, HAMBURG
- BAYERISCHE HANDELSBANK AG, MÜNCHEN
- WESTHYP, DORTMUND
- HYPOTHEKENBANK IN ESSEN AG, ESSEN
- HAMBURGHYP, HAMBURG
- ALLGEMEINE HYPOTHEKENBANK AG, FRANKFURT
- WÜRTTEMBERGER HYPO, STUTTGART
- SÜDDEUTSCHE BODENCREDITBANK AG, MÜNCHEN
- MÜNCHENER HYPOTHEKENBANK EG, MÜNCHEN
- NÜRNBERGER HYPOTHEKENBANK, NÜRNBERG
- DEUTSCHE HYPOTHEKENBANK (ACT.-GES.), HANNOVER
- RHEINBODEN HYPOTHEKENBANK AG, KÖLN
- CLF HYPOTHEKENBANK BERLIN AG, BERLIN
- NORDHYPO BANK, HAMBURG
- LÜBECKER HYPOTHEKENBANK AG, LÜBECK
- BFG HYPOTHEKENBANK AG, FRANKFURT
- WL-BANK, MÜNSTER
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The German Pfandbrief
Solid from the ground up

MUTUAL FUNDS

Continued



Saudi Arabia to Dig for Diversity

Reuters

DUBAI, United Arab Emirates — Saudi Arabia has ambitious plans to reduce reliance on oil revenue by digging for minerals, but analysts and executives say the government has considerable progress to make before the mining sector takes off.

The world's richest oil producer already mines eight metric tons of gold a year and a wealth of zinc, copper, bauxite, phosphates, silver and iron is waiting to be exploited.

Analysts said slow government approval for exploration licenses was holding back development of the mining sector, which is forecast to grow at an average annual rate of 9 percent in the state's five-year plan to 2000 — faster than any other sector.

"The new minister is pushing hard to develop the industry, but the Saudi government has to move faster to develop the minerals sector," one Saudi executive said.

"The main mining ventures are taking so much time because the mining industry is pretty new, so there is plenty of red tape," another mining executive said, referring to numerous projects that have been on the drawing board for years.

Projects awaiting approval include four gold and silver deposits, which, like other Saudi sites are likely to be developed as open-pit mines.

The government admits that foreign private companies have been reluctant to invest in Saudi mining interests. So far the only foreign company involved is Sweden's Boliden Mineral AB, a unit of Trelleborg AB.

"The main reasons preventing the private sector engaging in mining activities are the long procedures involved in obtaining mining concessions, the fact that many promising mining deposits are often located in remote areas and inadequate financial support," the economic plan says.

The government is taking steps to improve things. It is setting up a state-owned firm — Saudi Arabian Mining Co., or Maadin — that analysts say will be given some independence.

The Ministry of Petroleum and Mineral Resources has also set up a committee to look at ways to encourage private investment in the sector.

Executives said incentives for foreign investors included a five-year tax holiday and exemption from duty on major imports. But these have not been enough to lure private firms. "One important change would be if they ease the mining code to make it easier for foreign companies to seek and get mining licenses; that is paramount if the sector is to prosper," one executive said.

Executives also said infrastructure needed to be developed around mineral reserves, which are widely scattered across the desert kingdom.

U.S. Signals New Push For IMF Gold Sales

Reuters

WASHINGTON — The United States has signaled its willingness to consider contributing to increased efforts by the International Monetary Fund to help the world's poorest countries, sources close to the fund said.

But Washington has indicated that such a move would depend on agreement on a controversial proposal to sell some IMF gold for the same purpose. The IMF is expected to take up the issue here this week.

Even a small U.S. contribution would be significant because it would encourage other countries to help finance a continuation of the IMF program that lends money at virtually no interest to the world's poorest countries. That program faces a financing gap of about $3.5 billion for the years 2000 to 2004.

The IMF's management, backed by the United States and Britain, has proposed selling as much as 5 million of the Fund's 104 million ounces of gold to help finance the increased assistance, but Germany, Italy and Switzerland have said they will oppose such sales except in cases of financial emergency.

By making its contribution contingent on gold sales, the United States seems to be trying to ensure that some gold is sold. One source said a decision on gold sales may not occur until 2000, when the final tally of bilateral contributions will be known. Another said the IMF might decide to sell an amount much smaller than 5 million ounces.

Iran Sees Windfall From Oil Price Rise

Compiled by Our Staff From Dispatches

TEHRAN — Rising oil prices due in part to increased tension in the Middle East will bring Iran $1.5 billion in additional revenue in the fiscal year to next March, a senior official said Sunday.

"If the current market situation continues, we will earn $1.5 billion over the amount forecast in our budget," Qorbanali Dorri-Najafabadi, head of the Planning and Budget Commission of the Majlis, or Parliament, told the official Iranian press agency, IRNA. Iran projected oil earnings of about $15 billion in its current budget.

Tension between Iraq and the United States over recent Iraqi incursions into Kurdish-controlled territory in northern Iraq has created "better conditions and a rise in Iran's hard-currency earnings," he said.

The windfall is helping the country repay part of its estimated $22 billion foreign debt and build up its hard-currency reserves, Mr. Najafabadi said.

A cash crunch forced Iran to reschedule the debt in 1994. The country is now barred by law from further foreign borrowing.

The agency also quoted a report carried Saturday by Iranian television that oil revenue in March through August was $600 million over budget forecasts.

"While the current-year budget was based on the price of $15.50, Iranian oil was sold at the average price of $17.80 per barrel," the report said.

Oil Minister Gholamreza Aqazadeh said oil revenue in the first four months of the current fiscal year was 10 percent higher than in the like period of 1995.

(Bloomberg, Reuters)

SHORT COVER

China Aims for Record Steel Output

BEIJING (KRF/Global) — China plans record output this year of nearly 100 million tons of steel and 82 million tons of steel products, its official news agency said over the weekend.

China's steel output has risen to 93.5 million tons last year from 65.4 million tons in 1990, a 7.4 percent annual increase, the Xinhua News Agency said. China expects to increase its total steel output to at least 110 million tons by 2000, an annual rate of increase of 3.7 percent, it said.

Kidder Settles Suit Over Bonneville

SALT LAKE CITY, Utah (Bloomberg) — Kidder Peabody & Co. has agreed to pay $15 million to Bonneville Pacific Corp. to settle a suit filed against it by Bonneville's bankruptcy trustee, the trustee said.

The settlement, one of several that were reached with the trustee for the alternative-energy company that declared bankruptcy in 1991, resulted from a lawsuit filed by a Bonneville trustee in 1994. The suit accused former officers and directors of Bonneville of conspiring to inflate the value of the company's assets and mislead investors and said its advisers either failed to disclose or failed to discover the fraudulent activities.

Egypt Posts Peak Tourism Year

CAIRO (Reuters) — Egypt earned a record $3 billion from tourism in the year ended June 30, up 30.9 percent from the previous year, a government newspaper said Sunday.

The Tourism Ministry earlier reported that 3.6 million people visited Egypt during the year, 28 percent more than in 1994-95. Attacks on tourist targets by Islamist militants led to a slump in 1993 and 1994.

Microsoft Makes an Arabic Launch

DUBAI, United Arab Emirates (Reuters) — Microsoft Corp. has launched Arabic-language versions of its latest software programs, with anti-piracy controls, in the Gulf and Middle East markets, an official said.

Microsoft's Middle East general manager, Ahmed Chami, said Saturday that the products would be available in Saudi Arabia, Egypt, Jordan, Lebanon, Oman, Qatar, Bahrain and Kuwait as well as the United Arab Emirates.

For the Record

- **Chubb Corp.** said Sunday it agreed with **Kotak Mahindra Finance Ltd.** to jointly develop property and casualty insurance operations in India. *(Reuters)*
- **Aker ASA** of Norway said Sunday it was considering options for growth including a merger with the investment concern RGI ASA, its largest shareholder. *(Reuters)*

INTERNATIONAL CLASSIFIED MARKETPLACE

- Monday *International Recruitment*
- Tuesday *Education Directory*
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CAREERS

Social-Service Sabbaticals: How Employers Can Gain by Letting Go

By Marcia Vickers
New York Times Service

NEW YORK — Richard Schack, whose partner of nine years died of AIDS in 1992, as did a number of close friends after that, desperately longed for a break from his job.

After talking to his boss and going through a long application process, Mr. Schack, who has worked at American Express Co. for 18 years, was able to take advantage of a company program that allows employees to take a paid sabbatical if they spend that time working for a charity.

Mr. Schack, 43, chose the Gay Men's *Health Crisis*, a New York-based outreach organization for victims of acquired immune deficiency syndrome, and spent six months last year creating a computer database for the group.

"I needed to do something different," Mr. Schack said. "I needed to feel that the work I was doing had a social impact as opposed to a shareholder impact."

According to a study by the Conference Board, a business and economic research organization in New York, about 20 percent of the companies in the Fortune 500 list of major U.S. corporations offer sabbaticals, giving employees time off, usually paid, to pursue other interests. But social-service leaves like the one offered to Mr. Schack are less widespread. The Trends Research Institute in Rhinebeck, New York, estimates that they are offered by less than 5 percent of large companies, among them American Express, International Business Machines Corp., Time Warner Inc., Wells Fargo & Co. and Xerox Corp.

"Some companies are saying, 'Here's something to offer our very best people as a way to keep them,' " said John Challenger of Challenger, Gray & Christmas, a recruiting concern based in Chicago, "so an employee may go do something good in the world, and that makes both the employee and the company look good."

Gail Gavey, on a six-month leave from Xerox, does volunteer work with Sexual Assault Victims Advocacy Inc.

"Every place I go, I make sure I tell people I work for Xerox," she said. I pass out fliers and brochures with the company logo," and people say they "have never heard of corporations allowing their employees time off to do this."

Terms and conditions of social-service leaves vary greatly. At Xerox, which has offered such leaves for 26 years, an employee must be a full-time worker and have been with the company for at least three years. Employees receive full salaries and can be gone for as long as a year.

At American Express, employees must also be full-time and have at least 10 years' tenure. They also must have good performance reviews for at least three years. Paid leaves can be as long as one year. The company said it received about 35 applications for sabbaticals last year and accepted 15.

Corporate sabbaticals generally began in the United States in the 1970s, when *smaller, primarily high-technology* companies offered them to employees to gain a recruiting edge on larger corporations and to retain talent, according to the Conference Board study.

But such programs became more popular after the stock-market plunge in 1987, "when people began to re-evaluate their lives," said Gerald Celente, director of the Trends Research Institute, and started "looking at measurements of success in other ways than just financial gain."

Sabbaticals may sound tempting, but what happens afterward? Can employees really expect to step right back into their old jobs, with their careers still on track? Many companies guarantee employees their jobs back or similar positions at the same level. Mr. Schack *returned to his job as a director in* American Express's travel service division after his leave. He has since been named director of diversity at the company, a job he said he had always wanted.

Ms. Gavey of Xerox, who repairs copiers, will resume her job next month, but she has a new, more intriguing territory: the Pentagon.

Others may not be as fortunate — but there can be other payoffs.

"I've talked to people who felt they may have missed a promotion," said Hope Dlugozima, author of "Six Months Off," a book on sabbaticals. "But I've got to tell you, there was no one who cared, because they'd had such life-changing experiences."

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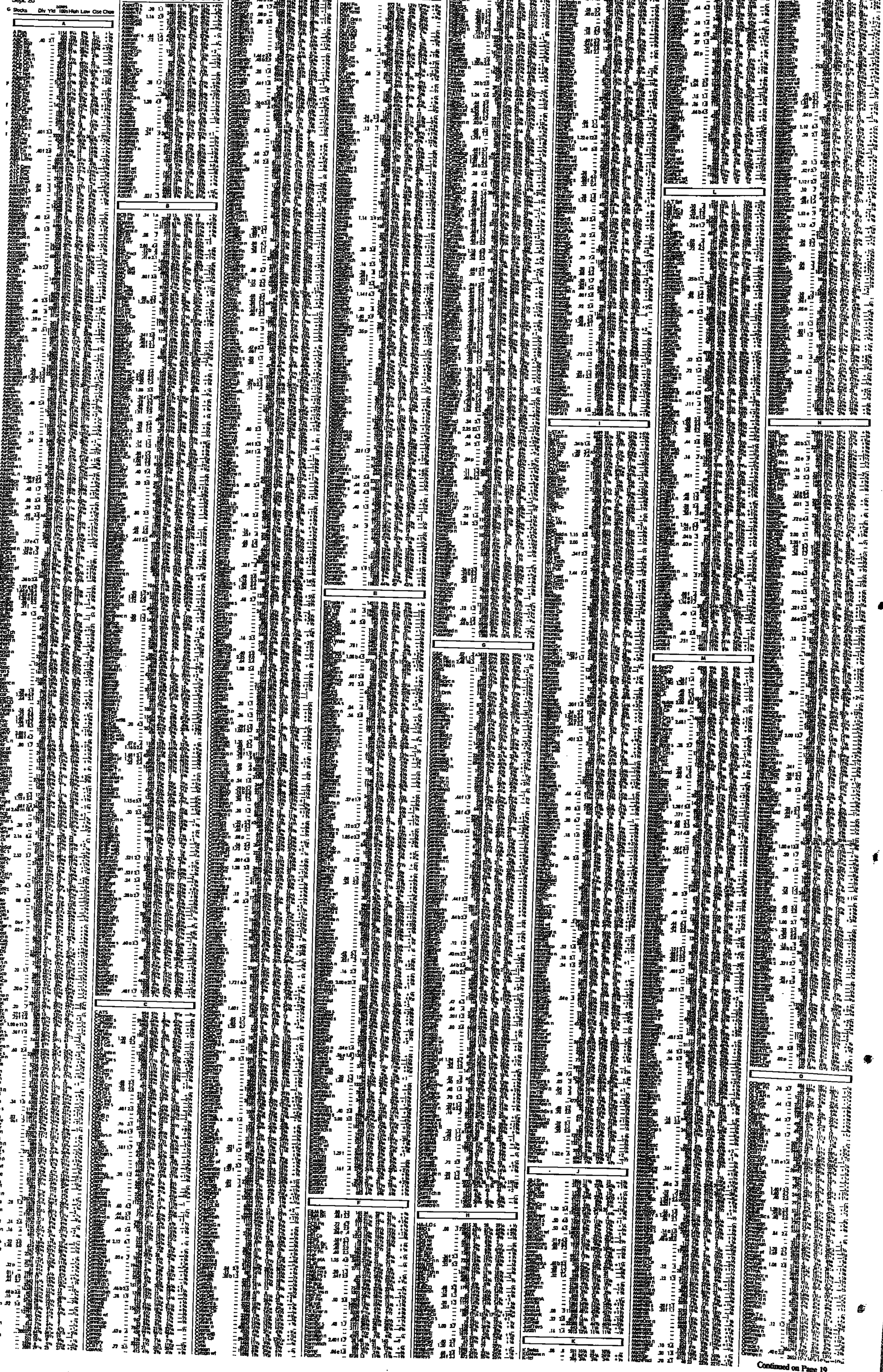
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Sept. 20



Continued on Page 19

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Consolidated prices for all shares traded during week ended Friday, Sept. 20

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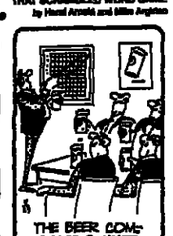
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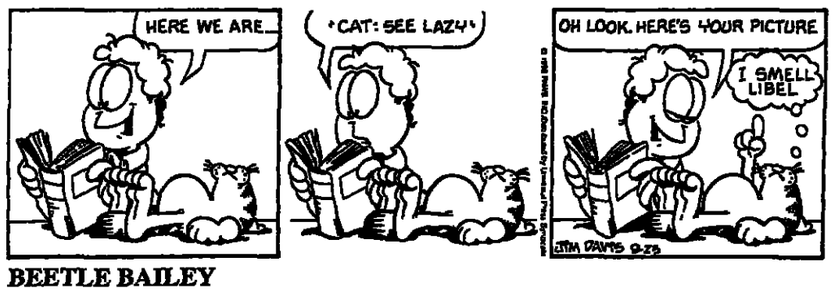
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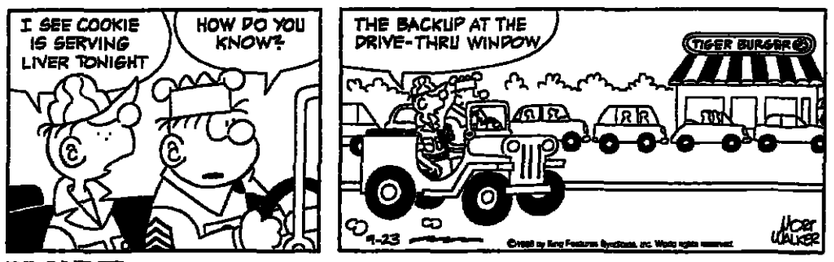
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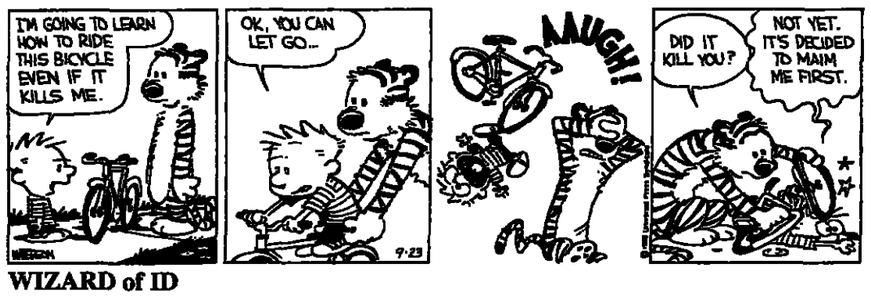
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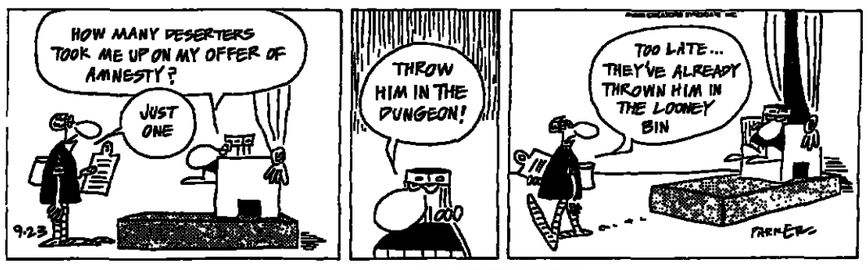
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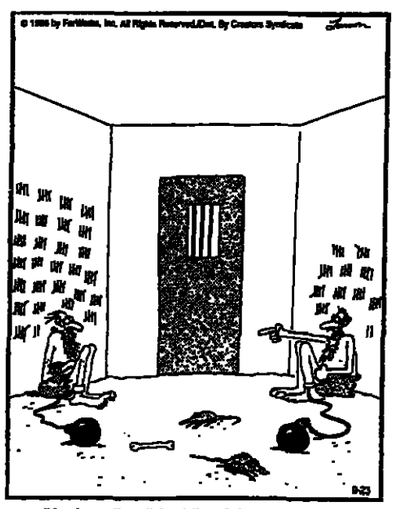
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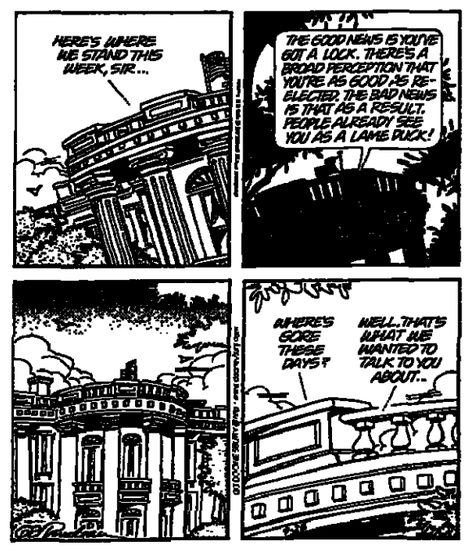


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The Associated Press

Patrik Berger made it six goals in a week as Liverpool overpowered Chelsea, 5-1, to stay two points ahead in the race for the English Premier League title.

The Czech forward, who scored two goals against Leicester last week and two more for his country against Malta in a World Cup qualifier, did it again Saturday against Ruud Gullit's stunned Chelsea team, which also is one of the main title contenders.

A Robbie Fowler header, an Andy Myers own-goal and a John Barnes volley accompanied Berger's two strikes.

EUROPEAN SOCCER

and Chelsea's sole reply was a late penalty by the French defender Frank Leboeuf.

In Leeds, Alan Shearer's second-half strike gave Newcastle a 1-0 victory, moving the Magpies up to second in the standings, while Arsenal gained a 2-0 victory at Middlesbrough with goals from John Hartson and Ian Wright to move up to third.

Manchester United, which had scored eight goals in its previous two league games, failed to hit the target at Aston Villa and gained only a 0-0 tie to slip two places to fourth.

Everton's fiery Scottish striker Duncan Ferguson was sent off for dissent in a 1-1 tie at last place Blackburn. The Rovers' Greek defender, George Donis, scored his first goal in English soccer but the Everton defender David Unsworth leveled before Ferguson's expulsion.

West Ham also lost the Danish defender Marc Rieper on a red card at Nottingham Forest, but still scored a 2-0 victory at the City Ground. The Welsh international defender Mark Bowen and the Northern Ireland player Michael Hughes scored the goals that gave the Hammers their first away victory since February.

Sheffield Wednesday, which won its first four games but has not won since, was held 0-0 at home by promoted Derby, while Sunderland, another Premier League newcomer, gained a 1-0 victory over struggling Coventry on Steve Agnew's late strike.

The division one leader, Bolton, which was relegated from the Premier League last season, stayed in first with a 4-2 victory at Bradford and second-place Barnsley won 1-0 at last-place Oldham.

Rangers, the Scottish champions and standings leaders, were stunned when Mark Reilly gave Kilmarnock a 19th-minute lead at Rugby Park. But the champs hit back to win, 4-1, with two goals, including a penalty, from Paul Gascoigne and two more by the Dutch forward Peter van Vossen.

Celtic stayed in contention, two points behind, with a 5-1 victory over Dunfermline.

GERMANY Borussia Moenchengladbach ripped Borussia Dortmund, the defending champion, 5-1, on Saturday in a Bundesliga match even more one-sided than the score.

Led by the midfielder Stefan Effenberg, who became Germany's highest-paid player last week, Moenchengladbach dominated from the start against a Dortmund side weakened by 11 injured players. Effenberg, who re-signed with the team for $3.4 million a year, directed the offense and scored in the 49th minute for Moenchengladbach.

The standings in Germany's first division were juggled as Dortmund slipped into fourth, while Bayern Munich vaulted to the top of the standings by edging Karlsruhe SC, 1-0.

VfB Stuttgart, coming off a string of convincing victories, fell into second after suffering a shock 2-0 loss to Fortuna Dusseldorf when Sergei Juran fired 83d- and 86th-minute goals.

Dusseldorf's victory spoiled Jurgen Loew's promotion from interim to head coach of Stuttgart. He had been named to the post before the match after the team had won six straight.

Bayern's offense was contained by Karlsruhe, which had numerous chances to spoil the UEFA Cup champions' unbeaten status in the Bundesliga.

Karlsruhe outplayed Bayern over 90 minutes, but was penalized when Alexander Zickler lofted a 19th-minute game-winner off a picture-perfect pass by the German national team player, Christian Ziege.

FC Cologne slipped into third place despite a scoreless draw against FC St. Pauli, while Schalke 04 edged Arminia Bielefeld, 1-0, and VfL Bochum beat Hamburger SV, 3-1.



Bernd Weissbrod/Agence France-Presse

Stuttgart's Freddi Bobic kicking over Dusseldorf's Harald Katemann.

ITALY Sampdoria of Genoa rallied behind Vicenzo Montella's three second-half goals to upset AS Roma, 4-1, and knock the hosts out of first place.

Montella tallied in the 64th, 73d and 90th minutes and the veteran Roberto Mancini also scored for Samp — all after the Argentine striker Abel Balbo's third goal in as many matches had given Roma the lead. While Roma slid to a tie for third with Samp on six points in three matches, Internazionale and AC Parma moved atop the standings at seven points.

Inter drew with Lazio, 1-1, while Parma managed to edge out promoted Reggiana, 3-2.

SPAIN Atletico de Madrid, the defending league champion, stormed back to form , downing Logrones, 3-0, with goals from the Czech midfielder Radek Bejbl, the Argentine center-forward Juan Esnaider and Francisco Narvaez.

The result left Atletico with six points from two victories and two defeats and lifted it from the No. 17 spot it had slumped to in the 22-team division.

Racing de Santander was certain to lose its place among the four teams that shared the league leadership going into the round when it fell, 3-0, to Valladolid with goals by Jose Luis Soto, Fernando Sanchez and Victor Manuel Gutierrez.

Modest Start in Scotland For a Grand Golf Vision

By Don Greenberg
Special to the Herald Tribune

LUSS, Scotland — When he first gazed over this breathtaking and historic landscape three years ago, Lyle Anderson said he had a vision — to build a magnificent and demanding golf course on the shores of Loch Lomond and organize a true world championship.

Most of the elements Anderson envisioned were solidly in place Sunday, as long-hitting Thomas Bjorn of Denmark shot a final-round 70 and won the inaugural Loch Lomond World Invitational by one shot over Jean Van de Velde of France.

The biggest ingredient lacking in the inaugural event was a world-class field, but that is something its organizers hope to attract in their quest to make the tournament a major event for golf's finest.

Anderson, a millionaire developer of up-market golf course properties in the United States, commissioned Tom Weiskopf, the 1973 British Open champion, to design and build the Loch Lomond Golf Club course. Judging from the reviews from Europe's top players, it's a smashing success.

"It's absolutely fabulous," said the three-time Masters champion Nick Faldo, who shot 77 Sunday and finished out of the top 20. "It is by far the best golf course in Great Britain by miles."

Although the Loch Lomond World Invitational had strong European Tour representation — 10 of the 12 Ryder Cup players competed — only two of the world's top-20-ranked players (Faldo and Colin Montgomerie) entered. There are several reasons the best of the rest stayed away, at least this year.

The first is Anderson's steadfast refusal to pay appearance money to big-name players. That is strictly forbidden on the U.S. Tour, but a common practice on the European Tour.

"I have nothing against players earning a living, noting against appearance money," Anderson said. "But to hold a true world championship, you need a level playing field. You can't have that if someone's going to be getting extra money before the event begins."

"What I picture down the road for this event is the best players in the world getting together once a year here for bragging rights among themselves," he added.

"It will be about the best competing against each other over a great course, in a fantastic setting and right in the heart of Scotland, the birthplace of golf. I don't think it can get better than that."

The second reason for the relatively weak international field is current U.S. Tour policy. Players are given only a handful of releases per year to play outside the Tour, and certain tournaments, such as last week's B.C. Open in Endicott, New York, are designated as protected events, meaning even fewer releases are given. Anderson has had discussions with the U.S. Tour commissioner, Tim Finchem, and the European Tour executive director, Ken Schofield, and sounded confident that more of the top players would be available in the future.

"We won't want to be a fifth major," Anderson said. "I don't believe there will ever be a fifth major. But there can be a world championship and we're doing everything we can to look like one, act like one and, eventually, I believe we will be one."

Early this month in Virginia, the chiefs of the five main professional tours announced the formation of a federation, and one of the stated objectives was to sanction three "world" events within two years. Players would be eligible based on to their world ranking, and earnings would count toward respective money titles as well as qualification for events such as the Ryder and Presidents Cups. Schofield was at Loch Lomond for the beginning of the tournament and said he was impressed with all aspects of the organization and running of the event.

The most important aspect about the inaugural World Invitational at Loch Lomond, Faldo said, is that it will serve as an example of what is possible on the European Tour.

"I'm delighted someone has done it — proved you can grow grass of this quality and get the course in this sort of condition," Faldo said. "Lyle has set a standard and the challenge is for others to meet it. I'd love to go to every European Tour event and have them in competition of sorts to reach this standard. That would help the Tour as much as anything."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	88	66	.571	—
Baltimore	84	70	.545	4
Boston	80	74	.519	8
Toronto	69	85	.448	19
Detroit	52	103	.335	36½

CENTRAL DIVISION

	W	L	Pct.	GB
x-Cleveland	94	60	.610	—
Chicago	82	74	.526	13
Milwaukee	76	79	.490	18½
Minnesota	76	79	.490	18½
Kansas City	72	83	.464	22½

WEST DIVISION

	W	L	Pct.	GB
Texas	85	70	.548	—
Seattle	83	70	.542	1
Oakland	73	82	.471	12
California	67	86	.438	17

(x-clinched division title).

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	92	62	.597	—
Montreal	85	69	.552	7
Florida	75	80	.484	17½
New York	69	86	.445	23½
Philadelphia	63	92	.406	29½

CENTRAL DIVISION

	W	L	Pct.	GB
St. Louis	83	71	.539	—
Houston	78	77	.503	5½
Cincinnati	75	78	.490	7½
Chicago	74	79	.484	8½
Pittsburgh	69	85	.448	14

WEST DIVISION

	W	L	Pct.	GB
Los Angeles	88	67	.568	—
San Diego	87	69	.558	1½
Colorado	80	76	.513	8½
San Francisco	64	91	.413	24

FRIDAY'S LINE SCORES

AMERICAN LEAGUE

Minnesota 000 100 020—3 11 0
Chicago 050 001 01x—7 8 0

Robertson, Stevens (7) and G. Myers; Tapani, Darwin (8), R.Hernandez (9) and Slaught. W—Tapani, 13-9. L—Robertson, 7-16. HRs—Minnesota, Becker (12). Chicago, F. Thomas (39), Da.Martinez (10).

Kansas City 201 000 200—5 14 0
Cleveland 000 030 010—4 6 1

Bevil, Pichardo (6), Bluma (9) and Sweeney; Nagy, Graves (6), Embree (7), Shuey (9) and S. Alomar. W—Bevil, 1-0. L—Nagy, 16-5. Sv—Bluma (5). HR—Cleveland, Kent (3).

Toronto 121 100 000—5 11 1
Baltimore 000 000 001—1 8 3

Hentgen, Dn.Johnson (9), Spoljaric (9) and O'Brien; Krivda, Benitez (7), Milchin (9), N. Rodriguez (9) and Holles. W—Hentgen, 18-10. L—Krivda, 2-5. Sv—Spoljaric (1). HR—Toronto, Carter (30).

Detroit 000 532 000—10 10 0
Milwaukee 000 000 100—1 7 3

Olivares, Sager (5), M. Myers (8), Lima (9) and Ausmus; Karl, Garcia (5), Reyes (9) and Levis, Stinnett (9). W—Sager, 4-4. L—Karl, 13-8. HR—Detroit, Nieves (22).

Boston 000 002 200—4 10 2
New York 001 010 000—2 6 1

Wakefield, Slocumb (9) and Haselman; Gooden, Boehringer (6), Polley (7), Weathers (7), Lloyd (8), Pavlas (9) and Girardi. W—Wakefield, 14-12. L—Polley, 1-2. Sv—Slocumb (29).

Oakland 002 000 000—2 4 2
Seattle 215 130 00x—12 14 0

Wengert, Johns (3), Reyes (4), Chouinard (6), Small (6), Acre (8) and Steinbach, Go.Williams (2); Torres, Carmona (3), Meacham (6) and D. Wilson, Marzano (7). W—Carmona, 7-3. L—Wengert, 7-11. Sv—Meacham (1). HR—Seattle, Cora (5), Griffey Jr. (46), Buhner (42).

Texas 102 001 000 1—5 8 0
California 002 100 100 2—6 12 1

D.Oliver, Russell (8), Vosberg (8), Stanton (10) and I.Rodriguez; Boskie, James (9), McElroy (10) and Greene. W—McElroy, 5-1. L—Stanton, 4-4. HRs—Texas, Hamilton (6), Palmer (36). California, Greene (2).

NATIONAL LEAGUE

New York 101 010 020—5 7 0
Philadelphia 000 200 000—2 6 3

P.Wilson, J. Franco (9) and A. Castillo; Mimbs, Borland (8), Springer (9) and Santiago. W—P. Wilson, 5-12. L—Mimbs, 3-9. Sv—J.Franco (28). HRs—New York, P. Wilson (1). Philadelphia, Schall (2).

Chicago 000 110 020—4 7 2
Pittsburgh 022 001 01x—6 11 0

Foster, Telemaco (5), Casian (6), Bullinger (7), Bottenfield (8), B. Patterson (8) and Houston; Lieber, Plesac (8), Ericks (9) and Kendall. W—Lieber, 9-5. L—Foster, 7-5. Sv—Ericks (8). HRs—Chicago, B. Brown (5). Pittsburgh, J. Bell (11).

Houston 000 100 000—1 7 4
Florida 000 200 10x—3 5 0

Reynolds, Darwin (7), Morman (7), X. Hernandez (7) and Eusebio, Manwaring (7); K.Brown, Hammond (8), Nen (8) and C. Johnson. W—K. Brown, 16-11. L—Reynolds, 16-10. Sv—Nen (33).

St. Louis 001 100 000—2 7 2
Cincinnati 002 000 20x—4 5 0

Al.Benes, Batchelor (8) and Sheaffer; Burba, Shaw (8), J.Brantley (9) and Taubensee, J. Oliver (9). W—Burba, 10-13. L—Al.Benes, 13-10. Sv—J. Brantley (40).

Montreal 000 020 000—2 6 0
Atlanta 010 100 01x—3 10 1

Paniagua, Cormier (5), D. Veres (6), Leiper (8), Juden (8) and Webster; Glavine, Wohlers (9) and J. Lopez. W—Glavine, 15-9. L—Leiper, 2-1. Sv—Wohlers (37). HR—Atlanta, Klesko (34).

Colorado 000 100 010—2 9 1
San Francisco 011 220 00x—6 6 0

Ma.Thompson, S. Reed (6), Holmes (7) and Decker; Gardner, Beck (9) and R. Wilkins. W—Gardner, 11-7. L—Ma. Thompson, 8-11. HRs—San Francisco, Bonds (42), R. Wilkins (12), G. Hill (17).

Los Angeles 000 010 010—2 3 0
San Diego 100 200 01x—4 9 0

Candiotti, Park (4), Dreifort (5), Guthrie (7), Osuna (8) and Piazza; Hamilton, Hoffman (8) and B. Johnson. W—Hamilton, 15-8. L—Candiotti, 9-10. Sv—Hoffman (38). HRs—San Diego, Finley 2 (27), Caminiti (38).

SATURDAY'S LINE SCORES

AMERICAN LEAGUE

Minnesota 120 010 000—4 11 5
Chicago 100 002 000—3 8 0

Radke, Guardado (7), Trombley (7) and Walbeck; Alvarez, Levine (6), Castillo (8), R. Hernandez (9) and Borders. W—Radke, 11-15. L—Alvarez, 15-10. Sv—Trombley (6). HRs—Minnesota, Coomer (12). Chicago, F. Thomas (40), Tartabull (26).

Kansas City 002 000 110—4 8 1
Cleveland 010 410 25x—13 16 1

Rosado, Granger (5), Huisman (7), Magnante (8) and Sweeney; Hershiser, Plunk (8), Mesa (9) and Pena. W—Hershiser, 15-8. L—Rosado, 7-6. HRs—Kansas City, Sweeney (3). Cleveland, Thome (37), Ry.Thompson (1).

Boston 000 152 300 0—11
New York 001 033 310 1—12
(10 innings)

M.Maddux, Gunderson (5), Mahomes (5), Eshelman (6), Brandenburg (7), Slocumb (8), Hudson (10) and Haselman; Key, Bones (5), Pavlas (6), J. Nelson (7), Polley (7), Weathers (8), Lloyd (8), Wetteland (9) and Girardi. W—Wetteland, 2-3. L—Hudson, 3-5. HRs—Boston, Haselman (6). New York, Raines 2 (8), O'Neill (19), Fielder (38).

Toronto 000 020 001—3 7 0
Baltimore 000 006 00x—6 2 2

W.Williams, Brow (6) and S. Martinez; Coppinger, Orosco (8), Mills (8), R. Myers (9) and Holles. W—Coppinger, 9-6. L—W. Williams, 4-4. Sv—R. Myers (31). HRs—Toronto, A. Gonzalez (13). Baltimore, Murray (22).

Detroit 020 112 000—6 9 2
Milwaukee 460 300 00x—13 13 0

Van Poppel, Nitkowski (2), Eischen (6), R. Lewis (7), Br.Williams (8) and Ausmus, Casanova (7); D'Amico, Villone (7) and Levis. W—D'Amico, 6-6. L—Van Poppel, 3-8. Sv—Villone (2). HRs—Detroit, Higginson (25), T. Clark (23), Nieves (23), Nevin 2 (6). Milwaukee, Js.Valentin (24), Burnitz (8).

Texas 003 000 400—7 10 0
California 000 000 010—1 7 2

Burkett, Cook (9) and Valle; J.Abbott, Harris (7), Grimsley (8), Ellis (9) and Fabregas. W—Burkett, 4-2. L—J. Abbott, 2-17. HRs—Texas, Greer (18), Gonzalez (46), Valle (3).

Oakland 000 000 200—2 8 0
Seattle 024 010 20x—9 12 0

Telgheder, Groom (3), Corsi (6), Mohler (7), Acre (8) and Steinbach; Moyer, Jackson (7), McCarthy (8), Milacki (9) and Wilson. W—Moyer, 13-3. L—Telgheder, 3-7. HRs—Oakland, Batista (6). Seattle, Rodriguez (36), Griffey Jr. (47), Martinez (26), Buhner (43).

NATIONAL LEAGUE

Colorado 000 000 002—2 8 3
San Francisco 010 005 00x—6 9 3

J.Wright, M. Munoz (7), Beckett (8) and J. Owens; Rueter, Dewey (8), Carlson (9) and Jensen. W—Rueter, 6-8. L—J. Wright, 4-4.

Los Angeles 000 170 100—9 16 2
San Diego 020 000 000—2 4 0

I.Valdes, Radinsky (8), Td.Worrell (9) and Piazza; S.Sanders, Bergman (5), Tewksbury (6), Osuna (8), D. Veres (8) and Flaherty, B.Johnson (8). W—I. Valdes, 15-7. L—S. Sanders, 9-5.

New York 000 100 000—1 5 1
Philadelphia 000 011 00x—2 6 0

Harnisch, DiPoto (8) and Hundley; Schilling and Santiago. W—Schilling, 9-9. L—Harnisch, 8-12.

Chicago 000 111 000—3 10 1
Pittsburgh 025 000 10x—8 8 2

Swartzbaugh, Myers (3), Telemaco (5), Bottenfield (7) and Servais; Loiselle, Peters (6), M. Wilkins (9) and Osik. W—Loiselle, 1-0. L—Swartzbaugh, 0-1. HR—Pittsburgh, J. Bell (12).

Montreal 020 000 011—4 11 1
Atlanta 102 000 20x—5 8 0

Daal, Manuel (7), Cormier (7) and D. Fletcher, Spehr (7); Neagle, McMichael (8), Wohlers (9) and Ed.Perez. W—Neagle, 16-8. L—Daal, 3-5. Sv—Wohlers (38). HRs—Montreal, Guerrero (1), Andrews (19). Atlanta, Grissom (22), Ed.Perez (4).

Houston 000 100 000—1 5 0
Florida 000 000 002—2 7 0

Drabek, W. Wagner (8) and Knorr; A.Leiter, Powell (8), F. Heredia (8) and C. Johnson. W—F. Heredia, 1-0. L—W. Wagner, 2-2. HRs—Florida, Conine (25), Dv.White (17).

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yomiuri	70	52	0	.574	—
Hiroshima	69	52	0	.570	½
Chunichi	66	54	0	.550	3
Yakult	60	63	0	.488	10½
Hanshin	50	72	0	.410	20
Yokohama	50	72	0	.410	20

SATURDAY'S RESULTS

Chunichi 6, Yomiuri 3
Hanshin 3, Hiroshima 1
Yakult 7, Yokohama 5

SUNDAY'S RESULTS

Yomiuri vs. Chunichi, ppd., rain
Yakult vs. Yokohama, ppd., rain

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	70	46	6	.603	—
Nippon Ham	66	54	4	.550	6
Kintetsu	58	59	1	.496	12½
Seibu	56	63	4	.471	15½
Lotte	53	63	3	.458	17
Daiei	52	70	2	.426	21

SATURDAY'S RESULTS

Orix 3, Nippon Ham 1
Daiei 3, Lotte 3, tie, 12 innings
Seibu vs. Kintetsu, ppd., rain

SUNDAY'S RESULTS

Orix 1, Nippon Ham 1, tie, 12 innings
Seibu vs. Kintetsu, ppd., rain
Lotte vs. Daiei, ppd., rain

FOOTBALL

Top 25 College Results

How the top 25 teams in The Associated Press' college football poll fared this week:

1, Nebraska (1-1) lost to No. 17 Arizona State 19-0; 2, Tennessee (2-1) lost to No. 4 Florida 35-29; 3, Florida State (2-0) beat North Carolina State 51-17, Thursday; 4, Florida (3-0) beat No. 2 Tennessee 35-29; 5, Penn State (4-0) beat Temple 41-0; 6, Texas (2-1) lost to No. 9 Notre Dame 27-24; 7, Ohio State (2-0) beat Pittsburgh 72-0.

8, Michigan (3-0) beat Boston College 20-14; 9, Notre Dame (3-0) beat No. 6 Texas 27-24; 11, North Carolina (3-0) beat Georgia Tech 16-0; 13, Alabama (4-0) beat Arkansas 17-7; 15, Southern Cal (3-1) beat Houston 26-9; 16, Kansas State (4-0) beat Rice 34-7; 17, Arizona State (3-0) beat No. 1 Nebraska 19-0.

18, Virginia Tech (3-0) beat Rutgers 30-14; 19, Iowa (2-1) lost to Tulsa 27-20. 20, Virginia (3-0) beat Wake Forest 42-7. 21, LSU (2-0) beat No. 13 Auburn 19-15; 23, Syracuse (0-2) lost to Minnesota 35-33; 24, Washington (2-1) beat Arizona 31-17; 25, Oregon (3-1) lost to Washington State 55-44.

The AP Top 25

The Top 25 teams in The Associated Press college football poll, with first-place votes in parentheses, records through Sept. 21, total points based on 25 points for a first-place vote through one point for a 25th-place vote, and last week's ranking:

	Record	Pts	Pv
1. Florida (52)	3-0	1,659	4
2. Florida St. (13)	2-0	1,612	3
3. Penn St. (1)	4-0	1,505	5
4. Ohio St.	2-0	1,411	7
5. Notre Dame	3-0	1,373	9
6. Arizona St. (1)	3-0	1,229	17
7. Michigan	3-0	1,207	8
8. Nebraska	1-1	1,198	1
9. Tennessee	2-1	1,125	2
10. Miami	3-0	1,100	10
11. North Carolina	3-0	991	11
12. Colorado	2-1	891	12
13. Texas	2-1	855	6
14. Alabama	4-0	764	14
15. Southern Cal	3-1	711	15
16. Kansas St.	4-0	677	16
17. LSU	2-0	662	21
18. Virginia Tech	3-0	577	18
19. Virginia	3-0	543	20
20. Kansas	2-0	440	22
21. Washington	2-1	376	24
22. Auburn	3-1	299	13
23. West Virginia	4-0	155	—
24. Brigham Young	3-1	100	—
25. Northwestern	2-1	79	—

Others receiving votes: Wyoming 54, Wisconsin 29, East Carolina 28, Iowa 24, Baylor 22, Minnesota 18, Georgia Tech 15, Utah 11, Southern Miss. 7, Washington St. 7, California 5, Oregon 5, Texas Tech 5, Texas A&M 3, Louisville 2, Army 1.

Major College Scores

SATURDAY'S RESULTS

Ala.-Birmingham 24, Jacksonville St. 17
Alcorn St. 31, Alabama St. 7
Appalachian St. 21, E. Kentucky 14
Army 36, Duke 17
Brigham Young 17, New Mexico 14
California 33, Nevada 15
Cent. Michigan 38, W. Michigan 28
Colorado St. 35, UNLV 16
East Carolina 23, South Carolina 7
Georgia 15, Texas Tech 12
Howard U. 31, Virginia St. 7
Idaho St. 47, W. Montana 0
Illinois 39, Akron 7
Illinois St. 31, Youngstown St. 28, 2OT
Iowa St. 42, N. Iowa 23
Jackson St. 16, Florida A&M 9
Kentucky 3, Indiana 0
Louisiana Tech 38, Mississippi St. 23
Louisville 30, Michigan St. 20
Marshall 29, Georgia Southern 13
Massachusetts 23, Richmond 17, OT
Memphis 17, Tulane 10
Mississippi 20, Vanderbilt 9
Missouri 38, Clemson 23
Navy 19, Southern Meth. 17
New Hampshire 21, Connecticut 13
N. Carolina A&T 24, Hampton U. 20
N.C. Central 21, Delaware St. 16
Northeastern 36, Lafayette 6
N. Illinois 31, Arkansas St. 30
Northwestern 28, Ohio U. 7
Oklahoma St. 31, Utah St. 17
San Diego St. 51, Oklahoma 31
S. Illinois 48, Winston-Salem 18
SW Missouri St. 39, Tenn.-Martin 7
Southern Miss. 52, SW Louisiana 27
Tennessee Tech 20, Samford 10
Texas A&M 55, North Texas 0
Toledo 24, E. Michigan 7
Utah 45, Fresno St. 17
Villanova 49, Fordham 10
W. Illinois 18, Hofstra 9
W. Kentucky 34, Austin Peay 2
West Virginia 20, Purdue 6
William & Mary 47, Bucknell 0
Wisconsin 14, Stanford 0

CFL Standings

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
Toronto	11	2	0	409	265	22
Montreal	7	5	0	313	304	14
Hamilton	5	7	0	257	373	10
Ottawa	3	8	0	195	316	6

WESTERN DIVISION

	W	L	T	PF	PA	Pts.
Calgary	9	4	0	445	237	18
Edmonton	8	5	0	317	223	16
Winnipeg	6	6	0	283	343	12
British Columbia	4	9	0	292	344	8
Saskatchewan	3	10	0	244	350	6

FRIDAY'S RESULT

Edmonton 41, Winnipeg 12

SATURDAY'S RESULTS

Toronto 23, Calgary 22
British Columbia 22, Saskatchewan 10

HOCKEY

NHL PRESEASON

FRIDAY'S RESULTS

N.Y. Islanders 3, New Jersey 0
Detroit 2, Toronto 1, OT
Montreal 4, Boston 1
Florida 5, Tampa Bay 2
Hartford 5, Buffalo 4
Washington 3, Philadelphia 1
St. Louis 3, Chicago 3, tie
Calgary 3, Dallas 1
Los Angeles 4, Phoenix 1

SATURDAY'S RESULTS

New Jersey 6, Philadelphia 3
Boston 4, Chicago 3
Ottawa 3, Washington 1
Buffalo 3, Toronto 1
N.Y. Islanders 4, Hartford 2
Detroit 5, Pittsburgh 2
Colorado 4, St. Louis 1
Edmonton 3, Phoenix 1
Los Angeles 4, Vancouver 3
N.Y. Rangers 3, Anaheim 3, tie

SOCCER

DUTCH FIRST DIVISION

Ajax 1, Graafschap Doetinchem 1
Groningen 1, RKC Waalwijk 2
AZ Alkmaar 3, Utrecht 1
Fortuna Sittard 1, Volendam 1
NAC Breda 0, Roda JC Kerkrade 1
Willem II Tilburg 1, Twente Enschede 2
Sparta Rotterdam 0, Feyenoord Rotterdam 1
PSV Eindhoven 0, Vitesse Arnhem 0
Heerenveen 1, NEC Nijmegen 1

STANDINGS: Feyenoord Rotterdam 19 pts; PSV Eindhoven 14; Twente Enschede 14; Roda JC Kerkrade 13; Heerenveen 11, Graafschap Doetinchem 11, Ajax Amster. 11; NAC Breda 10; Vitesse Arnhem 9, NEC Nijmegen 9; Fortuna Sittard 8; RKC Waalwijk 7, AZ Alkmaar 7; Utrecht 6, Sparta Rotterdam 5, Volendam 5; Willem II Tilburg 4; Groningen 3.

GERMAN BUNDESLIGA

Duisburg 3, Werder Bremen 2
Hansa Rostock 2, 1860 Munich 4
Bochum 3, Hamburg 1
St Pauli 0, Cologne 0
Borussia Moench. 5, Borussia Dortmund 1
VfB Stuttgart 0, Fortuna Duesseldorf 2
Arminia Bielefeld 0, Schalke 1
Bayern Munich 1, Karlsruhe 0
Bayer Leverkusen 5 Freiburg 3

STANDINGS: Bayern Munich 17; VfB Stuttgart 16; Bayer Leverkusen 15; Cologne 13, Borussia Dortmund 13; Bochum 12; Werder Bremen 10, Karlsruhe 10, 1860 Munich 10, Schalke 10, Fortuna Duesseldorf 10; Hamburg 9; Borussia Moenchengladbach 8, Hansa Rostock 8; St Pauli 5; Duisburg 4; Arminia Bielefeld 3, Freiburg 3.

SPANISH FIRST DIVISION

Valladolid 3, Racing de Santander 0
Logrones 0, Atletico de Madrid 3
Athletic de Bilbao 2, Espanyol 2
Valencia 2, Tenerife 1

STANDINGS: Betis 7, FC Barcelona 7, Real Sociedad 7, Racing Santander 7; Tenerife 6, Valladolid 6, Atletico Madrid 6, Oviedo 6; Real Madrid 5, Deportivo La Coruna 5, Zaragoza 5; Sporting Gijon 4, Celta 4, Espanyol 4, Valencia 4, Logrones 4, Athletic Bilbao 4; Rayo Vallecano 3, Sevilla 3, Hercules 3, Compostela 3; Extremadura 0.

FRENCH FIRST DIVISION

Paris SG 4, Lens 0
Bordeaux 0, Guingamp 0
Bastia 4, Caen 2
Metz 1, Montpellier 1
Rennes 1, Nancy 0
Lyon 3, Cannes 1
Le Havre 1, Monaco 2
Lille 1, Marseille 1
Nice 1, Strasbourg 1
Auxerre 2, Nantes 2

STANDINGS: Paris-SG 20; Bastia 17; Bordeaux 16; Monaco 15, Metz 15; Lyon 13, Auxerre 13, Lens 13; Marseille 12, Guingamp 12, Lille 12; Rennes 11, Cannes 11; Le Havre 8; Montpellier 7, Strasbourg 7; Caen 4; Nantes 3; Nice 2, Nancy 2.

ITALIAN FIRST DIVISION

Bologna 1, Milan 2
Cagliari 1, Udinese 2
Fiorentina 2, Verona 0
Napoli 1, Piacenza 1
Perugia 1, Juventus 2
Vicenza 4, Atalanta 1
Inter 1, Lazio 1
Parma 3, Reggiana 2
Roma 1, Sampdoria 4

STANDINGS: Parma 7, Juventus 7, Inter 7; Vicenza 6, Milan 6, Sampdoria 6, Bologna 6, Roma 6, Udinese 6; Fiorentina 4, Napoli 4; Cagliari 3, Perugia 3; Piacenza 2; Reggiana 1, Lazio 1, Atalanta 1; Verona 0.

ENGLISH PREMIER DIVISION

Aston Villa 0, Manchester United 0
Blackburn 1, Everton 1
Leeds 0, Newcastle 1
Liverpool 5, Chelsea 1
Middlesbrough 0, Arsenal 2
Nottingham Forest 0, West Ham 2
Sheffield Wednesday 0, Derby 0
Sunderland 1, Coventry 0
Tottenham 1, Leicester 2

STANDINGS: Liverpool 17; Newcastle 15; Arsenal 14; Manchester 13; Sheffield Wednesday 13; Aston Villa 12, Chelsea 12; Middlesbrough 11; Derby 10; Sunderland 9, Wimbledon 9; Tottenham 8, West Ham 8, Leicester 8; Leeds 7; Everton 6, Nottingham Forest 6; Coventry 4; Southampton 2, Blackburn 2.

SCOTTISH PREMIER LEAGUE

Aberdeen 0, Hibernian 2
Celtic 5, Dunfermline 1
Hearts 1, Motherwell 1
Kilmarnock 1, Rangers 4
Raith 3, Dundee United 2

WORLD CUP QUALIFYING

ASIAN ZONE, FIRST ROUND

India 2, Philippines 0
Qatar 3, Sri Lanka 0

CONCACAF SEMIFINAL

Honduras 2, Mexico 1

MAJOR LEAGUE SOCCER

San Jose 0, Kansas City 0
(San Jose wins 2-1 in shootout).
Columbus 1, New England 0
Washington 3, Colorado 1
Tampa Bay 4, New York-New Jersey 1

STANDINGS: Eastern Conference— y-Tampa Bay 58; x-Washington 46; x-NY-NJ 39; x-Columbus 37; New England 33. Western Conference— y-Los Angeles 46; x-Dallas 41, x-Kansas City 41; x-San Jose 40; Colorado 29.

(x-clinched playoff berth; y-clinched conference title).

TENNIS

Davis Cup

WORLD GROUP

SEMIFINALS

Sweden 4, Czech Republic 1

DOUBLES

Petr Korda and Daniel Vacek, Czech Republic, def. Nicklas Kulti and Jonas Bjorkman, 4-6, 6-3, 6-4, 6-4.

REVERSE SINGLES

Thomas Enqvist, Sweden def. Vacek, 6-3, 6-7 (3-7), 4-6, 7-5, 6-3; Stefan Edberg, Sweden def. Korda, 4-6, 6-2, 7-5.

France 3, Italy 2

DOUBLES

Guy Forget and Guillaume Raoux, France def. Andrea Gaudenzi and Diego Nargiso, 6-3, 6-4, 6-2.

REVERSE SINGLES

Cedric Pioline, France def. Renzo Furlan, 6-3, 2-6, 6-2, 6-4; Arnaud Boetsch, France def. Gaudenzi, 6-4, 6-2, 7-6 (10-8).

QUALIFYING

Romania 3, Belgium 2

DOUBLES

Libor Pimek and Filip Dewulf, Belgium, def. George Cosac and Dinu Pescariu, 4-6, 6-0, 6-2, 6-4.

REVERSE SINGLES

Adrian Voinea, Romania, def. Dewulf, 6-0, 6-0, 6-2; Andrei Pavel, Romania, def. Johan Van Herck, 6-3, 6-4, 6-3.

Netherlands 4, New Zealand 1

DOUBLES

Jan Siemerink and Sjeng Schalken, Netherlands, def. Brett Steven and Alistair Hunt, 3-6, 7-6 (8-6), 6-4, 6-2.

REVERSE SINGLES

Schalken def. James Greenhalgh 7-5, 6-1, 6-7 (7-5), 6-1; Dennis van Scheppingen, Netherlands, def. Hunt 3-6, 6-3, 7-6 (8-6).

Russia 4, Hungary 1

DOUBLES

Yevgeny Kafelnikov and Andrei Olhovsky, Russia, def. Sandor Noszaly and Gabor Koves, 7-2, 6-3, 6-1.

REVERSE SINGLES

Kafelnikov def. Jozsef Krocsko, 6-0, 6-3; Attila Savolt, Hungary, def. Andrei Chesnokov, 6-3, 6-2.

Spain 4, Denmark 1

SINGLES

Carlos Moya, Spain, def Kenneth Carlsen, 6-1, 6-2, 6-1.

DOUBLES

Tomas Carbonell and Alex Corretja, Spain, def. Frederik Fetterlein and Carlsen, 6-4, 7-5, 4-6, 5-7, 6-3.

REVERSE SINGLES

Carlsen def. Alberto Costa 3-6, 7-5, 6-3; Moya def. Thomas, 6-3, 6-4.

Switzerland 3, Morocco 0

DOUBLES

Jakob Hlasek and Marc Rosset, Switzerland, def. Mounir El Aarej and Mehdi Tahiri, 6-2, 6-2, 6-0.

Australia 4, Croatia 1

DOUBLES

Mark Woodforde and Patrick Rafter, Australia, def. Goran Ivanisevic and Sasa Hirszon, 6-3, 6-2, 6-4.

REVERSE SINGLES

Mark Philippoussis, Australia, def. Goran Oresic, 6-1, 6-4; Sasa Hirszon, Croatia, def. Jason Stoltenberg, 6-2, 6-2.

Mexico 2, Argentina 1

SINGLES

Alejandro Hernandez, Mexico, def. Gaston Etlis, 7-6 (7) 6-2, 6-4; Hernan Gumy, Argentina, def. Leonardo Lavalle, 7-6 (7-5), 6-4, 4-6, 5-7, 7-5.

DOUBLES

Alejandro Hernandez and Oscar Ortiz, Mexico, def. Luis Lobo and Pablo Albano, 6-7, (5-7), 6-4, 3-6, 7-6 (7-3), 6-4.

Brazil 4, Austria 1

SINGLES

Thomas Muster, Austria, def. Fernando Meligeni, 6-3, 6-3, 6-3; Gustavo Kuerten, Brazil, def. Markus Hipfl, 4-6, 3-6, 7-6 (7-0), 7-6 (7-5), 6-1.

DOUBLES

Kuerten and Jaime Oncins def. Muster and Hipfl, 7-6 (7-2), 4-6, 6-3, 3-6, 2-0, forfeit.

REVERSE SINGLES

Meligeni def. Hipfl, forfeit; Kuerten def. Muster, forfeit.

EURO-AFRICA ZONE

ZONE ONE, PLAYOFFS

Zimbabwe 4, Finland 1

DOUBLES

Wayne and Byron Black, Zimbabwe, def. Kim Tiilikainen and Ville Liukko, 6-1, 6-1, 6-3.

REVERSE SINGLES

Black def. Tapio Nurminen, 7-6, 6-4, 6-3; Liukko def. Genius Chidzikwe, 6-1, 7-6.

Ukraine 4, Norway 1

GROUP TWO, THIRD ROUND

Britain 5, Egypt 0

DOUBLES

Neil Broad and Mark Petchey, Britain, def. Tamer El Sawy and Amr Ghoneim, 3-6, 6-4, 6-3, 6-4.

REVERSE SINGLES

Tim Henman, Britain, def. El Sawy, 6-7 (7-4), 6-2, 6-2; Greg Rusedski, Britain, def. Ghoneim, 6-4, 6-2.

Slovakia 3, Poland 0

DOUBLES

Jan Kroslak and Karol Kucera, Slovakia, def. Michal Chmela and Michal Gawlowski, 6-1, 6-4, 6-7, (5-7), 6-0.

ASIA-OCEANIA ZONE

ZONE ONE, PLAYOFF

Indonesia 3, Taiwan 2

GROUP TWO, FINAL

Uzbekistan 5, Thailand 0

AMERICAN ZONE

GROUP ONE, PLAYOFF

Chile 3, Peru 0

SINGLES

Marcelos Rios, Chile, def. Americo Tupac Venero, 7-5, 6-2, 6-4; Gabriel Silberstein, Chile, def. Alejandro Aramburu 6-0, 6-4, 6-3.

DOUBLES

Rios and Oscar Bustos def. Venero and Luis Horna, 6-3, 6-3, 6-7 (7-4), 3-6, 8-6.

GROUP TWO, FINAL

Ecuador 2, Uruguay 1

SINGLES

Nicolas Lapentti, Ecuador, def. Federico Dondo, 6-4, 7-5, 6-1; Marcelo Filippini, Uruguay, def. Pablo Campana, 6-2, 6-1, 6-1.

DOUBLES

Lapentti and Andres Gomez def. Filippini and Gonzalo Rodriguez, 6-4, 6-3, 7-6 (7-2).

NICHIREI LADIES TOURNAMENT

IN TOKYO

SEMIFINALS

Monica Seles (1), U.S., def. Kimiko Date (3), Japan, 6-3, 1-6, 7-6 (8-6); Arantxa Sanchez Vicario (2), Spain, def. Kimberly Po, U.S., 6-4, 6-3.

FINAL

Seles def. Vicario 6-1, 6-4.

WARSAW CUP

QUARTERFINALS

Henrietta Nagyova, Slovakia, def. Flora Perfetti, Italy, 6-3, 2-6, 6-4; Karina Habsudova, Slovakia, def. Silvia Farina, Italy, 6-1, 6-2; Barbara Paulus, Austria, def. Catalina Cristea, Romania, 6-0, 7-5; Janette Husarova, Slovakia, def. Katarina Studenikova, Slovakia, 6-1, 3-6, 6-1.

SEMIFINALS

Nagyova def. Husarova 4-6, 6-2, 6-3; Paulus def. Habsudova 6-1, 6-4.

FINAL

Nagyova def. Paulus 3-6, 6-2, 6-1.

AUTO RACING

Portuguese Grand Prix

Leading results Sunday in the Portuguese Grand Prix on the 4,360-km (2,709-mile) Estoril circuit: 1, Jacques Villeneuve, Canada, Williams, one hour, 40 minutes and 22.915 seconds (average speed 182.423 kph); 2, Damon Hill, Britain, Williams, 19.966 seconds behind; 3, Michael Schumacher, Germany, Ferrari, 53.765 seconds; 4, Jean Alesi, France, Benetton, 55.109; 5, Eddie Irvine, Britain, Ferrari, 1:27.389; 6, Gerhard Berger, Austria, Benetton, 1:33.141; 7, Heinz-Harald Frentzen, Germany, Sauber, one lap; 8, Johnny Herbert, Britain, Sauber, one; 9, Martin Brundle, Britain, Jordan, one; 10, Olivier Panis, France, Ligier, one.

World Drivers' Championship Standings (After 15 Rounds): 1, Damon Hill, Britain, 87 points; 2, Jacques Villeneuve, Canada, 78; 3, Michael Schumacher, Germany, 53; 4, Jean Alesi, France, 47; 5, Mika Hakkinen, Finland, 27; 6, equal, David Coulthard, Britain, 18; 6, equal, Gerhard Berger, Austria, 18; 8, Rubens Barrichello, Brazil, 14; 9, Olivier Panis, France, 13; 10, Eddie Irvine, Britain, 11.

CYCLING

Tour of Spain

Leading results of the 15th stage — over 210 kms between Cabarceno and Alto Cruz de la Demanda on Sunday: 1, Alex Zuelle, Switzerland, ONCE, five hours, 48 minutes, 30 seconds; 2, Laurent Dufaux, Switzerland, Lotus, 2 seconds behind; 3, Laurent Jalabert, France, ONCE, same time; 4, Tony Rominger, Switzerland, Mapei, s.t.; 5, Roberto Pistore, Italy, MG, s.t.; 6, Jose Maria Jimenez, Spain, Banesto, s.t.; 7, Marcos Serrano, Spain, Kelme, 15; 8, Davide Rebellin, Italy, Polti, s.t.; 9, Fernando Escartin, Spain, Kelme, s.t.; 10, Georg Totsching, Austria, Polti, s.t.

OVERALL STANDINGS: 1, Zuelle, 66 hours, 57 minutes, 41 seconds; 2, Jalabert, one minute, 21 seconds; 3, Dufaux, 5:26; 4, Pistore, 7:14; 5, Faustini, 7:22; 6, Rebellin, 7:55; 7, Totsching, 8:36; 8, Mauri, 8:46; 9, Rominger, 8:55; 10, Stephen, 9:20.

GOLF

Loch Lomond Open

Leading scores after Sunday's final round of the 750,000-pound (dirs 1.16 million) Loch Lomond World Invitational at the par-71, 7,085-yd Loch Lomond Golf Club in Glasgow:

T. Bjorn, Denmark	70-69-68-70—277
J. V. de Velde, France	75-65-67-71—278
R. Allenby, Australia	69-71-71-70—281
C. Montgomerie, Scot.	72-70-70-70—282
J. Lomas, England	71-73-70-68—282
R. Green, Australia	72-73-71-67—283
D. Clarke, N. Ireland	68-73-73-69—283
M. McNulty, Zimbab.	73-72-70-69—284
P. O'Malley, Australia	70-78-68-68—284
M. A. Martin, Spain	73-73-69-69—284

THE WEEK AHEAD

Monday, Sep. 23

SOCCER Doha, Qatar — World Cup qualifying, Asia first round, Group 10, Qatar vs. Philippines.

TENNIS Basel, Switzerland — Swiss Indoors, through Sep. 29; Palermo, Italy — Championship of Sicily, through Sept. 29; Kuala Lumpur, Malaysia — Salem Open, through Sep. 29.

Tuesday, Sep. 24

SOCCER Various Sites — UEFA Cup, First Round, Second Leg: Aarau vs. Brondby IF, Feyenoord Rotterdam vs. CSKA Moscow, Espanyol Barcelona vs. Apoel Nicosia, Inter Milan vs. Guingamp, Boavista vs. Odense Boldklub, Olympiakos vs. Ferencvaros, Halmstad BK vs. Newcastle United, Barry Town vs. Aberdeen, Dynamo Moscow vs. AS Roma, Hamburg SV vs. Celtic, Maccabi Tel Aviv vs. Tenerife, National Bucharest vs. Chernomorets Odessa, Dinamo Tbilisi vs. Torpedo Moscow, Trabzonspor vs. Bodo, Lyngby vs. Club Brugge, Helsingborgs vs. Aston Villa, Lazio vs. RC Lens, Slavia Prague vs. Malmo, Casino Graz vs. Germinal Ekeren, Sporting Lisbon vs. Montpellier, Bayern Munich vs. Valencia, Neuchatel Xamax vs. Dynamo Kiev, Besiktas vs. Molenbeek, Vitoria vs. Parma, Anderlecht vs. Alania Vladikavkaz, Roda vs. Schalke 04, Metz vs. Tyrol Innsbruck; Doha, Qatar — World Cup qualifying, Asia first round, Group 10, Sri Lanka vs. India; East Rutherford, N.J. — MLS Cup '96 playoffs, through Oct. 20.

Wednesday, Sep. 25

RUGBY UNION Cardiff, Wales — Wales vs. France, test.

SOCCER Various sites — European Champions League, Second Rotation, Group A: Glasgow Rangers vs. Auxerre, Ajax vs. Grasshoppers. Group B: Widzew Lodz vs. Atletico Madrid, Steau Bucharest vs. Borussia Dortmund. Group C: Manchester United vs. Rapid Vienna; Fenerbache vs. Juventus. Group D: FC Porto vs. IFK Goteborg, Rosenborg vs. AC Milan; Various Sites — UEFA Cup, First Round, Second Legs: Borussia Moenchengladbach vs. Arsenal, Monaco vs. Hutnik Krakow, Legia Warsaw vs. Panathinaikos, Karlsruhe vs. Rapid Bucharest, Silkeborg vs. Spartak Moscow; Buenos Aires, Argentina — South American Super Cup, first round, Group 1, Boca Juniors vs. Argentinos Juniors; Rio de Janeiro, Brazil — South American Super Cup, first round, second leg, Flamengo vs. Independiente; Seoul — exhibition, South Korea vs. China.

BASKETBALL EuroLeague Men's Championship, Second Round, Group C: Olimpija Ljubljana vs. Bayer Leverkusen, Barcelona vs. Panathinaikos.

Thursday, Sep. 26

SOCCER Various Sites — European Cup Winners Cup, First Round, Second Leg: Kispest Honved vs. Nimes Olympique, Sparta Prague vs. Sturm Graz, Galatasaray vs. FC Constructorul, Red Star vs. Kaiserslautern, Liverpool vs. MyPa-47, Nyva Vinnitsa vs. Sion, Olimpija vs. Aarhus, FK Brann vs. Cercle Brugge, FC Varteks vs. Lokomotiv Moscow, Sofia vs. Reykjavik, AEK Larnaca vs. FC Barcelona, Ruch Chorzow vs. Benfica, Chelmlan Humenne vs. AEK Athens, Fiorentina vs. Gloria Bistrita, Eindhoven vs. Dynamo Batumi, Paris-St. Germain vs. Vaduz; Sao Paulo, Brazil — South American Super Cup, first round, second leg, Santos vs. Penarol; Doha, Qatar — World Cup qualifying, Asia first round, Group 10, Philippines vs. Sri Lanka.

GOLF Dublin, Ireland — European Open, through Sep. 29; Pine Mountain, Georgia — Buick Challenge, through Sep. 29.

BASKETBALL EuroLeague Men's Championship, Group A: Maccabi Tel Aviv vs. CSKA Moscow, Ulkerspor vs. Panionios, Limoges vs. Stefanel Milano. Group B: Charleroi vs. Cibona Zagreb, Alba Berlin vs. Estudiantes Madrid, Olympiakos vs. Bologna. Group C: Croatia Split vs. ASVEL Basket. Group D: Partizan Belgrade vs. Efes Pilsen Istanbul, Dynamo Moscow vs. Virtus Bologna, Pau-Orthez vs. CDB Sevilla.

Friday, Sep. 27

SOCCER Doha, Qatar — World Cup qualifying, Asia first round, Group 10, Qatar vs. India; Geneva, Switzerland — Second-round draw for European Cups (UEFA Cup, Cup Winners Cup).

Saturday, Sep. 28

TENNIS Atlantic City, New Jersey — Fed Cup, World Group championship, United States vs. Spain, through Sep. 29.

Sunday, Sep. 29

ATHLETICS Berlin — Berlin Marathon; Amsterdam — Amsterdam Marathon.

RUGBY LEAGUE Port Moresby, Papua New Guinea — Papua New Guinea vs. Britain.

BASEBALL New York — U.S. MLB, final day of regular season.

ATHLETICS Portland, Oregon— Portland Marathon.

SOCCER Harare — exhibition, Zimbabwe vs. Tanzania.

هكذا من الأصل

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The Mighty Fall on Day of Upsets

Vikings Ice Packers as Panthers Roll Over 49ers

The Associated Press

The Minnesota Vikings are for real. And the Green Bay Packers are real beatable, at least away from Lambeau Field.

The Vikings hounded the NFL's top-rated quarterback and offense Sunday, upsetting the Packers, 30-21, behind seven sacks and Robert Smith's 37-yard touchdown run with 4:13 remaining.

The victory made Minnesota (4-0) the surprising NFC Central leader, and sent the Packers (3-1) to their 12th loss in their last 13 games on artificial turf. Green Bay is 21-4 at home under Coach Mike Holmgren, but 4-19 on turf. The Packers never have won at the Metrodome in five trips under Holmgren.

Winning at Minnesota was a huge priority for Green Bay, which was looking for its best start since the 1966 team opened 4-0 on its way to a victory in the first Super Bowl.

But the Packers fell behind for the first time this season when Warren Moon's 20-yard pass to Qadry Ismail gave the Vikings a 14-7 halftime lead.

The Packers rallied from a 17-7 deficit early in the third quarter on an 80-yard touchdown catch by Don Beebe and George Koonce's 75-yard interception return. But Smith's 37-yard run over the right side against the league's second-rated run defense gave Minnesota a 24-21 lead.

Smith finished with 88 yards on 26 carries, and the defense took over once Smith gave it back the lead.

Favre lost his second fumble on the next possession when he was sacked by John Randle and Esera Tuaolo, leading to Scott Sisson's 44-yard field goal with 2:31 remaining.

Panthers 23, 49ers 7 Steve Beuerlein, starting in place of the injured Kerry Collins, burned the NFL's top-ranked defense with a near-flawless first half that gave the Panthers a 23-7 victory over San Francisco in Charlotte, North Carolina.

It was Carolina's second victory in three games against the 49ers, and it meant that 19 games into their existence, the Panthers are 10-9 and in first place alone in the NFC West. Both Carolina and the 49ers came in as the last two unbeaten teams in the division.

Beuerlein completed 17 of 20 passes in the first half as Carolina (3-0) built a 17-0 lead against a defense that finished No. 1 in the NFL last season and was in the same spot this year.

Beuerlein, who threw a pair of scoring passes to Wesley Walls, finished with 272 yards on 22-of-31 passing to help the Panthers win for the 10th time in 16 games. San Francisco (2-1) gave up 389 yards, including 251 in the first half.

Patriots 28, Jaguars 25 The steady Patriots beat the spectacular Jaguars as Adam Vinatieri's overtime field goal, his fifth of the game, overcame Mark Brunell's three long touchdown passes.

NFL Roundup

Vinatieri, who had missed four consecutive field goals before Sunday, connected from 40 yards with 2:36 gone in overtime, giving New England the victory at home.

Two plays earlier, Terry Glenn caught a 21-yard pass from Drew Bledsoe on the right side of the end zone, but officials conferred and upheld their original ruling that he was out of bounds.

On the last play of regulation, Brunell, who had thrown three touchdown passes of 41 yards or more, nearly did it again. Willie Jackson caught his desperation 58-yard pass but landed inches from the goal line as time ran out.

Cardinals 28, Saints 14 LeShon Johnson scored the first two touchdowns of his NFL career on 56- and 70-yard runs as the Arizona Cardinals beat the host New Orleans Saints in a game matching two winless teams.

Johnson ran for 189 of his 214 yards in the second half — breaking a 36-year-old Cardinals record. He had four yards rushing for the season coming into the game, and ran for minus-2 yards last year and 97 yards in his career.

Arizona (1-3) scored 23 points in its first three games, had only three rushing touchdowns all of last year and was ranked dead last in rushing coming into the game. The Saints (0-4) played before the smallest home crowd since 1980, when they finished 1-15. They started 0-5 last year and finished 7-9.

Giants 13, Jets 6 First, the national anthem was flubbed (the singer forgot the words), and the New York Giants and Jets took it from there.

With lame offense, mistakes galore, frustration and plenty of well-deserved boos, the battle of New York's winless NFL teams lived down to expectations. Even the weather cooperated, with intermittent showers turning to heavy rain in the closing minutes at Giants Stadium.

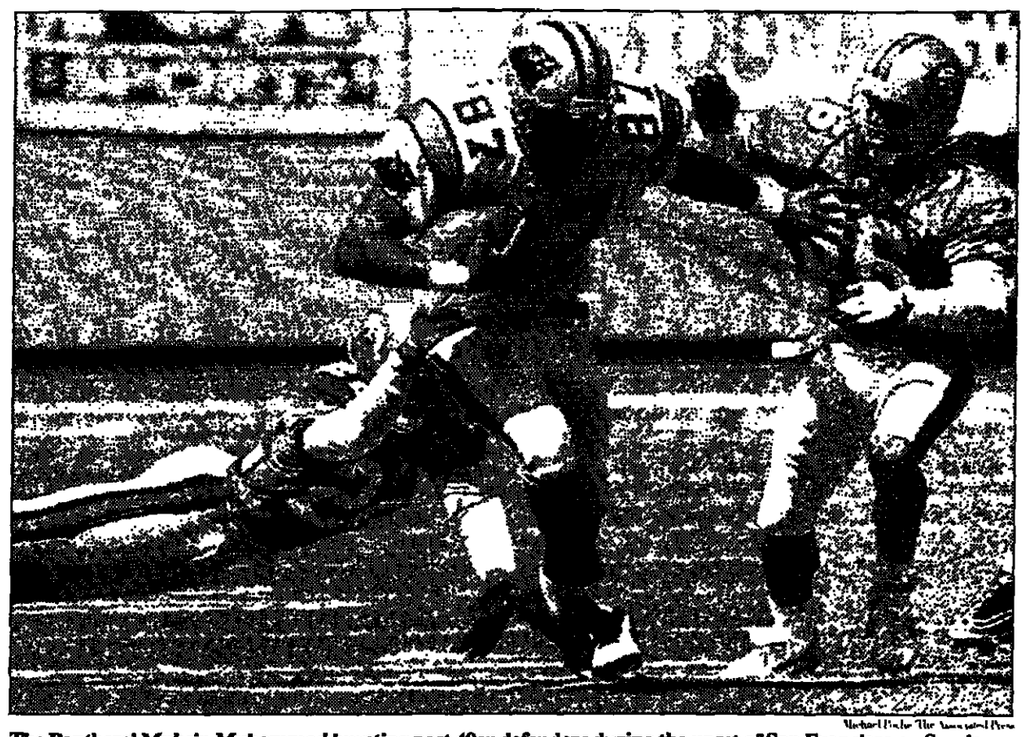
Oh by the way, the Giants (1-3) overcame their mistakes to defeat the Jets 13-6 Sunday as Dave Brown threw a 17-yard touchdown pass to Chris Calloway, and Brad Daluiso kicked two short field goals. Nick Lowery kicked field goals of 46 and 39 yards as the Jets started with an 0-4 record for the first time since 1992.

The scoring really wasn't the story of this game. The errors were, and there were plenty of humorous ones befitting two bad teams.

Giants linebacker Jessie Armstead tripped while returning an interception deep in Jets territory and fumbled away a chance to score with the Jets leading 3-0 in the second quarter.

Scott Gragg, a 325-pound Giants offensive tackle, fell attempting a celebratory cartwheel following Brown's TD pass to Calloway minutes later, capping an 80-yard drive for a 7-3 lead.

The Giants used their longest scoring drive of the season to take a 7-3 halftime lead on the TD pass to Calloway. Brown, 9-of-13 for 111 yards, hit all four of his passes for 47 yards on the 11-play, 80-yard march that culminated with the first TD by a Giants receiver this season.



Michael Probe/The Associated Press

The Panthers' Muhsin Muhammad bursting past 49er defenders during the upset of San Francisco on Sunday.

Smoltz and Braves Clinch NL East

The Associated Press

The Atlanta Braves earned their fifth postseason trip in six years — a streak interrupted only by the 1994 strike — by beating the Montreal Expos, 8-2, on Sunday to clinch the National League East division crown in Atlanta.

Atlanta, which became the second team to clinch a playoff spot along with Cleveland, can relax in the season's final week as the rest of the NL playoff picture clears up.

After Greg McMichael recorded the final out, the sellout crowd of 49,38 at Atlanta Fulton County Stadium roared as the World Series champions celebrated in the infield with high-fives and hugs.

John Smoltz allowed only four hits in eight innings for his 23d victory, set a franchise record for strikeouts in a season and, for good measure, hit his first homer in more than two years, a three-run shot in the sixth inning.

Montreal is still in contention for the wild-card spot, starting Sunday one game behind San Diego.

Reds 6, Cardinals 3 Cincinnati's Barry Larkin became the first shortstop in the 30-30 club and Bret Boone had three hits as the Reds again avoided elimination by beating St. Louis in the first game of a doubleheader in Cincinnati.

Larkin hit his 30th homer — to go with his 30 steals — off Donovan Osborne to cut the Cardinals' lead to 3-2 in the fifth. He is the 17th major leaguer and the first shortstop to reach 30-30.

T.J. Mathews took a 3-2 lead into the seventh, but the Reds sent eight batters to the plate for four runs. Boone, who entered the game in a 4-for-39 slump, tripled over the head of center fielder Ray Lankford to drive in the first two runs. Tom Pagnozzi's passed ball and Brook Fordyce's single drove in the other two runs.

Baseball Roundup

Marlins 6, Astros 0 In Miami, Andre Dawson hit a three-run, pinch-hit homer and Florida pushed Houston to the brink of elimination from the playoff race with its eighth consecutive loss.

Phillies 4, Mets 3 Gregg Jefferies' RBI double with one out in the bottom of the ninth gave the Phillies a victory over New York in Philadelphia.

Desi Relaford opened the inning with a walk off Derek Wallace, and stole second with one out. Jefferies followed with a looping double down the left-field line that fell out of the reach of Carl Everett.

In American League games:

Indians 6, Royals 5 Kenny Lofton had three hits and scored two runs, as Cleveland scored three times in an error-filled seventh to beat visiting Kansas City.

Lofton ignited the seventh-inning rally with a one-out single and scored on an error by right fielder Johnny Damon, cutting the Royals' lead to 5-4. Damon fielded Kevin Seitzer's single and bounced his throw to the cutoff man, allowing Lofton to sprint home.

Jose Vizcaino, pinch running for Seitzer, scored on a fielder's choice by Manny Ramirez. Shortstop David Howard missed the double play, with an errant throw to first. That made the tying run count and sent home Jim Thome, who walked, with the go-ahead run.

White Sox 5, Twins 1 Robin Ventura hit a tiebreaking, three-run homer in the sixth inning and Alex Fernandez pitched a five-hitter as the White Sox defeated Minnesota in Chicago.

Orioles 5, Blue Jays 4 Roberto Alomar singled home the tiebreaking run in the seventh inning as Baltimore maintained its lead in the wild-card race by beating visiting Toronto.

Scott Erickson won his fifth straight decision as the Orioles stayed on course to make the playoffs for the first time since 1983. Baltimore started the day four games behind the New York Yankees in the AL East and a half-game ahead of Seattle in the wild-card standings.

Cornhuskers Are Stunned By 19-0 Loss To Arizona St.

The Associated Press

Nebraska is not invincible, after all.

The top-ranked Cornhuskers had their 26-game winning streak snapped Saturday night in a shocking 19-0 loss to No. 17 Arizona State on the same field in Tempe, Arizona, where they won their second straight national championship in January.

"We're all embarrassed and ashamed," said Nebraska's quarterback, Scott Frost. "To go out there and lay a goose egg on the scoreboard. I never dreamed that could happen."

College Football

The Sun Devils, routed by Nebraska 77-28 last season, recorded three safeties in handing the Huskers their first defeat since losing the 1994 Orange Bowl to Florida State.

It was the first time Nebraska had been shut out since a 22-0 loss to Miami in the 1992 Orange Bowl, and its first regular-season loss since dropping a 19-10 decision to Iowa State on Nov. 14, 1992.

Jake Plummer threw for 292 yards and a touchdown and Robert Nycz kicked two field goals for the Sun Devils, who outgained Nebraska 401 to 216.

The three safeties, more than Nebraska had ever given up in an entire season, typified the Sun Devils' defensive dominance over the Huskers, who had won 37 straight regular-season games.

Arizona State went ahead 7-0 on its first possession, with Plummer throwing 25 yards to Keith Poole to complete the drive. When Nebraska got the ball, two penalties backed up the Huskers to their 6 yard line and Frost's pitchout got away from Ahman Green. The ball was batted around the end zone before going out of bounds for a safety that put Arizona State ahead, 9-0, after only 4:22 of play.

Safety No. 2 followed Nycz's first field goal and gave Arizona State a 14-0 lead with 3:09 left in the half. The ball was snapped past Frost while the quarterback, lined up in a shotgun formation at his 20, was looking left. He chased it into the end zone and was tackled.

The third safety, the only score of the second half, was credited to defensive end Derrick Rodgers, who looped past two blockers and tackled Frost in the end zone with 6:43 to play.

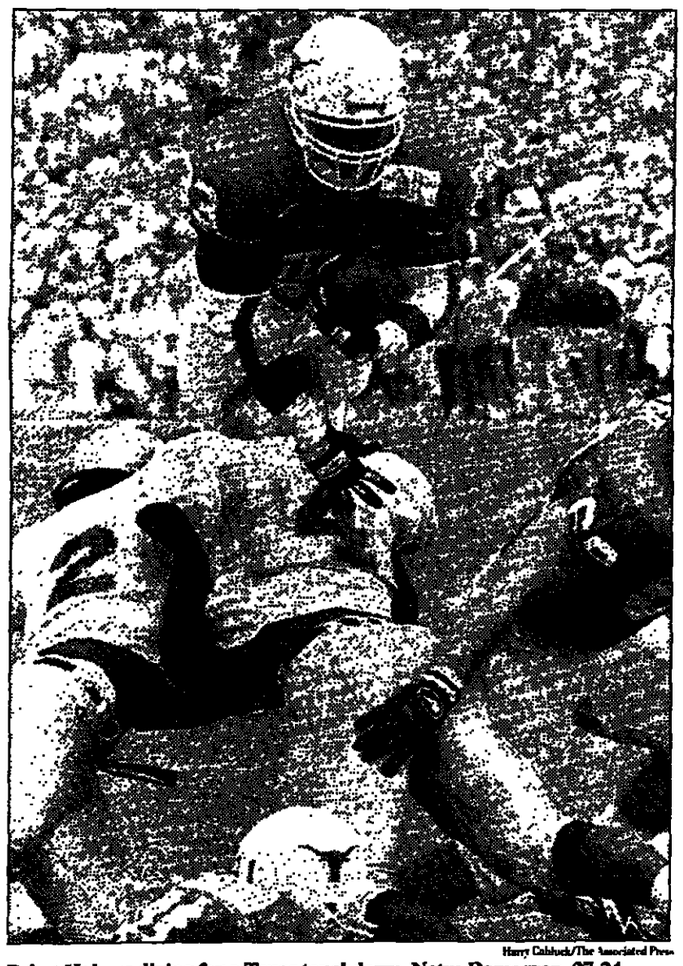
No. 4 Florida 35, No. 2 Tennessee 29 The Gators got four TD passes from Danny Wuerffel in the first half and withstood a second-half surge by No. 2 Tennessee for a 35-29 victory before an NCAA-record crowd of 107,608 in Knoxville, Tennessee.

Florida built a 35-0 lead in the first half, but the momentum shifted after Peyton Manning hooked up with Peerless Price on a 72-yard play to get Tennessee on the board.

Manning, intercepted four times in the first half, rebounded in the second half and finished 37-of-65 (both school records) for 492 yards and four TDs.

No. 5 Penn St. 41, Temple 0 In East Rutherford, New Jersey, Aaron Harris ran for two touchdowns and made key blocks to set up two other scores as Penn State recorded its second straight shutout. The Lions extended their unbeaten streak against the Owls to 29 games, including 21 victories in a row.

No. 9 Notre Dame 27, No. 6 Texas 24 Jim Sanson kicked a 39-yard field goal as time expired to boost the visiting Fighting Irish. Notre Dame started the winning drive on its 43-yard line with 59 seconds left after the Texas punter, Mark Schultis, shanked a 22-yard punt. Autry Denson ran for 22 yards and Ron Powlus hit Malcolm Johnson with an 11-yard pass to set up Sanson's kick.



Harry Cabluck/The Associated Press

Priest Holmes diving for a Texas touchdown. Notre Dame won, 27-24.

No. 7 Ohio St. 72, Pittsburgh 0 Ohio State handed visiting Pittsburgh its worst loss ever as Pepe Pearson and freshman David Boston each scored three TDs. The Buckeyes scored on their first 10 possessions and outgained the Panthers 602-120 in total yards.

No. 8 Michigan 20, Boston College 14 Scott Driesbach led Michigan to two fourth-quarter TDs, both set up by interceptions, in Ann Arbor. Driesbach tied it 14-14 on a 1-yard sneak early in the fourth quarter and hooked up with Jermane Tuman from 58 yards out for the go-ahead score.

No. 11 N. Carolina 16, Georgia Tech 0 Chris Keldorf threw a pair of first-half TD passes as host North Carolina remained on a collision course with Florida State. The Tar Heels meet the third-ranked Seminoles next Saturday in Tallahassee.

No. 13 Alabama 17, Arkansas 7 In Little Rock, Freddie Kitchens threw a 29-yard pass to set up Brian Cunningham's 31-yard field goal, then completed three big passes for Alabama in the closing minutes.

No. 15 Southern Cal 28, Houston 8 John Allred caught 10 passes — the most ever for a USC tight end — and Brad Otton threw a pair of touchdown passes to Billy Miller in Houston. Otton completed 24-of-37 for 290 yards, and Allred had 103 receiving yards.

No. 16 Kansas St. 34, Rice 7 Brian Kavanagh tied his own school record with four touchdown passes, including three to Jimmy Dean. Visiting Kansas State needed just four plays to go 80 yards following the opening kickoff. Kavanagh, who completed 20-of-28 for 232 yards, capped the drive with a 23-yard scoring strike to Dean.

No. 18 Va. Tech 30, Rutgers 14 Freshman Shayne Graham kicked three second-half field goals as Virginia Tech extended its winning streak to 13 games with the victory over visiting Rutgers.

Tulsa 27, No. 19 Iowa 20 In Tulsa, John Fitzgerald passed for 353 yards and a touchdown as the Golden Hurricane upset Iowa. Tulsa snapped a six-game losing streak and beat a ranked opponent for the first time since 1991.

No. 20 Virginia 42, Wake Forest 7 Tiki Barber rushed for 113 yards and a touchdown as visiting Virginia beat Wake Forest for the 13th straight time. The Cavaliers held the Demon Deacons to minus-45 yards rushing.

No. 21 LSU 19, No. 13 Auburn 18 In Auburn, Alabama, Raion Hill returned one interception for a touchdown and another for a defensive extra point for LSU. Two years ago against LSU, Auburn returned three interceptions for TDs in the fourth quarter to win 30-26.

Minnesota 35, No. 23 Syracuse 33 In Minneapolis, the Golden Gophers wasted a 29-12 lead before Cory Sauter led them to two field goals in the final 5:23, including the winner by Adam Bailey with 42 seconds left. Tyrone Carter scored twice on fumble returns for Minnesota, which snapped a six-game losing streak against ranked opponents.

No. 24 Washington 31, Arizona 17 In Seattle, Brock Huard became the first Washington freshman to pass for 300 yards in a game. Making his first start in place of the injured Shane Fortney, Huard completed 20-of-31 passes for 311 yards and three touchdowns.

Washington St. 55, No. 25 Oregon 44 Ryan Leaf passed for four touchdowns and ran for another, and Michael Black rushed for 161 yards and a score to lead Washington State past visiting Oregon.

Quarterbacks' Sneak: WLAF to NFL

By Michael Carlson
Special to the Herald Tribune

Brad Johnson of the Minnesota Vikings knows how precarious the status of a pro quarterback can be.

He was the National Football Conference's Offensive Player of the Week in the second week of the National Football League season, passing for 275 yards and two touchdowns to lead the Vikings to a come-from-behind victory over Atlanta. But a week later, he was wearing a headset, as Warren Moon returned from injury to reclaim his No. 1 spot.

While such ups and downs are common in the NFL, Johnson's route to the league is less common. A little over a year ago, he was playing for the London Monarchs in the World League of American Football, which is increasingly serving as a developmental proving ground for quarterbacks hoping to make the jump to the big NFL show.

Johnson says that the WLAF, which is run by the NFL in partnership with Fox TV, was an important part of his drive to become an NFL starter. Although he had been under contract to Minnesota, for three seasons, he lacked valuable game experience. Even as a college player at Florida State, he had been primarily a backup.

"The Monarchs gave me a chance to get 10 games as a starter," he said. "There's nothing like game experience. Even though a quarterback's decision-making has to be that much faster in the NFL, the World League provided the reps I needed."

It was a quarterback who was partially responsible for the rebirth of the WLAF, which returned as an all-European league in 1995, after a two-year hiatus. Scott Mitchell was an untried backup for the Miami Dolphins when he quarterbacked the Orlando Thunder to the World Bowl in 1992. Mitchell returned to Miami in 1993, and when Dan Marino went down with the only serious injury of his career, Mitchell stunned the league with his performance. A huge free agent contract with Detroit was the result, and an even bigger bonanza awaits him after his deal expires this season.

"It's every quarterback's dream to do what Scott Mitchell did," says Johnson. "The key is performing when you get the chance. My contract's up at the end of this season, and we'll see what happens then."

Although NFL starters go down to injury with frightening regularity, the promising rookie or younger player is often passed over in favor of the perhaps less-talented veteran backup. It's a vicious circle, and there is little time to substitute a quarterback to give him experience in the normal run of play. Johnson has been with the Vikings for five years; Moon's injury in the season's opening game was his first meaningful chance at playing time.

The WLAF provides a valuable testing ground for potential star quarterbacks.

"You need two years to fully learn a team's system," said Johnson. "Then it's just a question of experience under fire."

The value of experience is shown by the presence of 13 former WLAF quarterbacks on NFL rosters, including many from the league's first go-round who were free-agent journeymen. Stan Gelbaugh, for example, was out of football when the London Monarchs called on him in the WLAF's first year. He parlayed that season into a career with the Seattle Seahawks.

Another benchmark is the way the WLAF took only one NFL-allocated quarterback for each team. In 1995, each team started with two, and time-sharing was helping neither. Johnson beat out Jim Ballard, whom London eventually cut, but who rebounded to lead Scotland to this year's World Bowl title.

Paul Justin, who led the Frankfurt Galaxy to the World Bowl III title, has performed solidly as Jim Harbaugh's backup in Indianapolis. In Frankfurt, Justin outplayed Jim Miller, who was the surprise starter for Pittsburgh when this season opened.

The strangest odyssey may be that of Jay Walker, No. 3 behind Moon and Johnson in Minnesota. Walker played for the Barcelona Dragons in 1995, but hurt his throwing hand in an amazing performance in Scotland. Injuries had left the Dragons without any running backs, but Walker, passing on every down, led them to victory. The injury robbed him of his usefulness as a backup for New England and he was cut. After sitting out the NFL season, he signed with the Vikings.

With the WLAF entering the third year of its rebirth next spring, and looking to consolidate its franchises, if not to expand, the success of a Brad Johnson could tip the scales in convincing the NFL that its developmental league is worth keeping alive. The presence of top-flight passers is a boost to the league, even if their eventual success means World League teams may find themselves looking for a new quarterback every year.

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WORLD ROUNDUP



Arantxa Sanchez Vicario grimacing over a missed shot.

Seles Wins in Tokyo

TENNIS Monica Seles of the United States beat Arantxa Sanchez Vicario of Spain, 6-1, 6-4, for the Nichirei Ladies tennis title on Sunday, less than a week before their nations are to meet in the final of the Federation Cup.

Seles said that, despite her victory, circumstances would be different when Spain and the United States meet Saturday and Sunday in Atlantic City, New Jersey, for the Fed Cup. Seles shares the world No. 1 ranking with Steffi Graf of Germany. "It will be tough — they are the defending champions," Seles said. "But I have a week to get ready." *(AP)*

Juventus Downs Perugia

SOCCER Juventus of Turin, behind goals from Michele Padovano and Alessandro Del Piero in the final six minutes, beat host Perugia, 2-1, on Sunday to move into a three-way tie for first place in the Italian first-division soccer league.

Elsewhere, Liberian striker George Weah's winner pushed AC Milan past Bologna, 2-1, to end the defending Italian league champions' two-match losing streak. Both clubs are in a group of six with six points through three rounds.

In other games, Vicenza routed Atalanta of Bergamo, 4-1; Udinese edged Cagliari, 2-1; Fiorentina beat Verona, 2-0, and Napoli and Piacenza drew, 1-1.

• In the Dutch League, Ajax faltered in a 1-1 draw with De Graafschap on Sunday. Ajax looked to be ending its miserable start to the season when Finn Jari Litmanen's 57th-minute strike put three points within reach. But a late equalizer from defender Erik Redeker kept the Doetinchem side ahead of Ajax in the league on goal difference. Both teams have 11 points after seven games.

• In the English Premier League, Kasey Keller made a stunning one-handed save and then his teammate Ian Marshall scored the winner with a close-range header five minutes from time as promoted Leicester scored an upset 2-1 victory at Tottenham. *(AP)*

(For Saturday's European Soccer results, see page 20)

Manly Takes Charge

RUGBY LEAGUE Manly overcame the early loss of fullback Matthew Ridge to set up a second successive Australian Rugby League grand final appearance with a 24-0 semifinal victory over Cronulla on Sunday in Sydney.

Ridge was taken from the field in the 26th minute after being knocked unconscious while attempting to tackle Cronulla's center, Paul Donaghy. *(AP)*

France and Sweden Gain Davis Cup Final

Pioline and Boetsch Down Italians

The Associated Press

NANTES, France — Cedric Pioline and Arnaud Boetsch guided France into the Davis Cup final by taking both singles in a must-win situation Sunday against Italy in their World Group semifinal.

Italy entered the day needing just one victory, but Pioline pushed France into a deciding match as he beat Renzo Furlan, 6-3, 2-6, 6-2, 6-4, in the opening singles.

Then Boetsch crushed Andrea Gaudenzi, 6-4, 6-2, 7-6 (10-8), to put France into the final against Sweden, which beat the Czech Republic in the other semifinal. The final is scheduled for Nov. 29-Dec. 1 in Sweden.

It will be France's 12th final, the first since 1991 when it won the title with an upset of the United States. Yannick Noah was captain of that team and led France to this final also.

France became the sixth team to come from 0-2 down after dropping the opening singles in Davis Cup World Group play.

With the decision on the line, Boetsch battled back from a 40-0 deficit to break Gaudenzi in the first game.

Boetsch coasted from there. Gaudenzi was a bit unsteady from the baseline, with his left wrist bandaged after hurting it in a fall in Friday's singles.

With Boetsch's serve working well and Gaudenzi missing a bit, the result was anti-climatic, even when Boetsch was forced to a tiebreaker after failing to close out the match when he served to win 5-4 in the third set.

In the tiebreaker, Boetsch took the lead at 5-4 and had two match points at 6-4, which Gaudenzi saved.

Boetsch had to go to three more matchpoints before finally winning at 10-8 with one of the few good serves he had in the tiebreaker. He came in behind his serve and put away a winning volley.

In the first singles, Pioline, ranked 17th in the world compared to Furlan's 38th, gave France the chance to win.

After he split the first two sets, he started to move into the net more and to volley more crisply. That gave him a quick 5-1 advantage in the third set on the way to a 6-2 triumph and gave him momentum for the fourth set.

Again he broke Furlan early in the third game and moved ahead, Pioline cruised in and sent the French crowd stomping when he delivered an ace on the final point of the match.

On Saturday, Guy Forget and Guillaume Raoux took the doubles to keep France alive by topping Gaudenzi and Diego Nargiso, 6-3, 6-4, 6-2.

In Prague, Stefan Edberg won his last Davis Cup match abroad, downing Peter Korda to give Sweden a 4-1 victory and its 10th appearance in the Cup final.

Edberg won, 4-6, 6-2, 7-5, in a best of three format accepted by both teams.

Earlier, Thomas Enqvist had outlasted Daniel Vacek in five sets, giving Sweden an unbeatable 3-1 lead and a place in the final against France.

The match between Edberg and Korda had flashes of brilliance, but none of the suspense of the previous encounter. Korda, ranked 50th in the world, broke Edberg in the eighth game and, despite an immediate rebreak, went on to win the set 6-4.



Thomas Enqvist slamming a return to Daniel Vacek of the Czech Republic on Sunday during Sweden's victory.

Edberg, No. 19, stepped up his game in the second set, breaking Korda twice to win it 6-2 in just 27 minutes. Edberg then broke Korda in the 11th game and went on to take the set and match, 7-5.

It was the last appearance in the Davis Cup abroad for the 30-year-old Swede, who intends to retire from professional tennis at the end of this year.

Enqvist, ranked 14th in the world, won, 6-3, 6-7 (3-7), 4-6, 7-5, 6-3, against Vacek in a match of two big servers that was partially decided by Enqvist's vastly superior returns.

Vacek, ranked 37th in the world, broke Enqvist's serve with two backhand winners in the fifth game of the first set for a 3-2 lead.

Enqvist found his return just in time to break right back despite Vacek's huge serve. Vacek's game collapsed after that and Enqvist won the set 6-3 in just 32 minutes.

Vacek lost serve again in the first game of the second set, netting an easy backhand volley on approach.

He managed to break back against an increasingly double-faulting Enqvist to even the score at 3-3. The set went into a tiebreaker won 7-3 by the Czech.

Vacek then slowed down his game with sliced backhands, hard to handle for the power-hitting Swede, and won the third set 6-4.

Enqvist's serve improved in the fourth set, where he broke a fading Vacek in the 11th game and won the set 7-5. The fifth set confirmed Enqvist's superiority despite a loss of serve in the first game. Enqvist broke back in the fourth game, clinching the deciding break four games later. He took the set and match when Vacek sent a backhand return wide.

U.S. Women Trounce Europeans to Retain Solheim Cup

By Ian Thomsen
International Herald Tribune

CHEPSTOW, Wales — How does a landslide begin? Europe's best women golfers were staring dumbfounded at the scoreboards as the British crowds moved quietly away from St. Pierre early Sunday afternoon, much earlier and less happily than predicted.

The United States had destroyed them, winning 10 points from the concluding 12 singles matches for a 17-11 victory overall and retention of the fourth Solheim Cup, the women's version of the Ryder Cup. It was the Americans' third Solheim Cup victory and the first for a visiting team. And it prevented Europe from completing an historic grand slam of the four trans-Atlantic golfing trophies involving men and women, professionals and amateurs.

The Americans had been favored before play began. After the first round Friday, they were ahead by three points in four doubles matches. Everything thereafter came unpredictably. By Saturday night, the United States was trailing 9-7, winning just two matches over the previous day and a half.

But when it was all done, Judy Rankin, the American non-playing captain, was asked whether the enormity of the defeat for Europe might set back the women's game here. She seemed flabbergasted by the question.

"From midday Friday to last night, we took a whipping," Rankin said. "I think our players were a little stunned to be down. We had a couple of serious moments Saturday night, but we were also able to have some laughs. One thing I told them was, You don't have to play better than you know how."

The final day affirmed their overall strength. The 12 American players won nine matches and halved two others with a superiority that the American men used to express before Seve Ballesteros came along. The Ballesteros of this weekend was supposed to be England's Laura Davies, the world No. 1, but in the end she lacked the Spaniard's supporting cast. The state of the entire competition followed her up and down, a kind of bittersweet flattery.

When Davies lost her opening doubles match Friday morning, her teammates stumbled through their own matches as if devastated. Then Davies blitzed through the next three doubles matches, winning them by an outrageous 16 holes in all. As if following her lead, the Europeans found themselves in control with only 5½ points needed the last day.

The European captain, Mickey Walker, stacked the top of her Sunday lineup with the world's top three players in the first four matches — a bold try at the early knockout. Annika Sorenstam of Sweden, ranked No. 2 in the world, beat the U.S. Hall-of-Famer Pat Bradley 2-and-1, but Bradley fought hard with two birdies on the first three holes, an inspired start that was radioed back to the U.S. players.

In the fourth match, Liselotte Neumann, the world's No. 3 player, stole a half-point when the American veteran Beth Daniel missed a short birdie putt on the last hole. Most important of all was Davies's match, the third of the day, against Michelle McGann, the biggest hitter the Americans could have put up against her. Davies lost it 3-and-2, and the landslide began with an oddsmaker's certainty. Of the last eight matches, the Americans were fielding the higher-rated player in seven.

None of the Europeans admitted to fatigue, but four of them were ordered to play every round — Davies (who won three points from five matches) and the Swedes Sorenstam (four), Catrin Nilsmark (2½) and Neumann (two). The only American asked to do so was Kelly Robbins, whose birdie at the 18th halved her match with Alison Nicholas and assured America of retention. Rankin thought some of the Europeans were tired. Surely, somewhere, a seam gave way.

By her own count, Davies had six putts to win holes Sunday and did not make any. She had no birdies after producing 13 over the previous 41 holes.

"Good shot, Laura," McGann would say from time to time, without a hint of sarcasm or gamesmanship. The day was pleasantly free of rancor. Behind them as they moved along one of the galleries was singing and then laughing, striking a communal tone that American crowds never can match.

At No. 15, Davies had a brief chance when McGann uncharacteristically clattered her approach into the water. Down by two with three to play, Davies smiled sincerely and tipped her cap to the revived audience — a large squarish star on thin legs, the Babe Ruth of women's golf. Her iron to the long par-3 sounded with a pillowy thump, falling short and right, and then McGann launched her own 3-wood at the pin more than 220 yards away, ending it 5 feet short. It was probably the best shot of the tournament, considering that the opponent was Goliath. Goliath conceded her the putt.

Villeneuve Vanquishes Hill in Portuguese Grand Prix

The Associated Press

ESTORIL, Portugal — Jacques Villeneuve charged past his Williams-Renault teammate Damon Hill to win the Portuguese Grand Prix on Sunday, dashing Hill's chance to clinch his first Formula One World Championship.

The battle between the two rivals for the world drivers' title now moves to the final race of the season, the Japanese Grand Prix on Oct. 13, when Hill only needs to finish one point ahead of Villeneuve.

"It's going to be a good battle," Villeneuve, a Canadian, said after the race Sunday.

With Hill ahead by 13 points going into the Portuguese race, Villeneuve needed at least four points to remain a contender. He got 10 points for his victory, while Hill earned six for second, leaving him just nine points ahead.

Villeneuve, 25, came from behind to catch Hill after a pit-stop on the 50th of 70 laps and then cruised to his fourth victory in his first Grand Prix season.

Hill, who started on the pole with Villeneuve at his side, gave up a wide lead in the first half to finish 17.966 seconds behind.

Michael Schumacher of Germany, the defending champion, drove his Ferrari to third place, 53.765 seconds behind the leader. Trailing Hill by 34 points, he is out of the race for this year's title.

As the fight for the top spot narrowed to the last of the season's 16 races, tension mounted between Hill and Villeneuve.

In recent weeks, Villeneuve became an outspoken critic of his British teammate, accusing Hill of zig-zagging in front of him at the start at the Italian Grand Prix at Monza.

But at Estoril, Hill got off to a good, straight start to take full command of the race at the first corner, while Villeneuve was passed by Jean Alesi's Benetton-Renault and Schumacher, who started third and fourth in the grid.

While Hill extended his advantage to almost 10 seconds over Alesi by the 17th lap, Villeneuve showed his combative spirit with a dangerous and daring move past Schumacher to go into third.

"I had nothing to lose," Villeneuve said of the move after the race. "It was worth it to take a big risk."

Villeneuve moved up to second after Alesi made a scrappy entry in the pit lane and then put the pressure on Hill with consistently faster laps, closing the gap to less than a second by the 39th lap.

Villeneuve swiftly pulled ahead of Hill coming out of the pits in the 50th, where he made a slightly quicker pit stop than his rival.

After being passed, Hill said he tried to keep up with Villeneuve, "but he was just flying."

Hill said his technicians noted problems with his car's clutch late in the race, and said he deliberately slowed his efforts in order to avoid a breakdown.

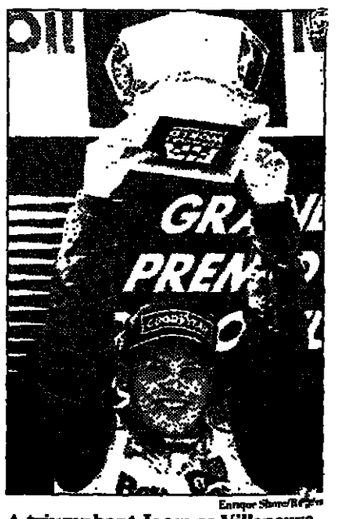
"The last thing I wanted was mechanical problems at that stage of the race," Hill added.

The British ace, who turned 36 five days ago, was shooting for his eighth victory of the season and the 21st of his four-year Formula One career.

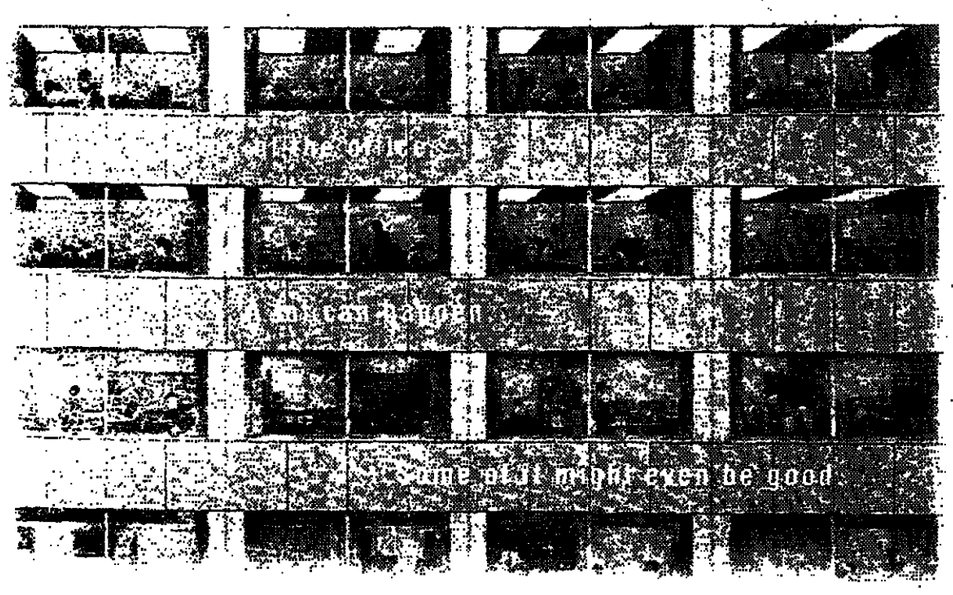
Hill's second-place finish was also likely to delay any announcement as to his racing future after being cut from the Williams-Renault team three weeks ago, reportedly over money.

The driver will finish the season with Williams-Renault but has been reportedly approached by other leading Formula One teams, including Jordan and Benetton-Renault, for 1997.

"There's no talk of retirement," Hill said. "It doesn't pay as well."



A triumphant Jacques Villeneuve.



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Bolivia●	0-800-1112
Brazil	000-8016
Canada■	1-800-225-5288
Chile	800-800-311
Colombia	980-11-0010
Costa Rica●■	0-800-0-114-114
Ecuador●▲	999-119
El Salvador○■	800-1785
Guatemala○	190
Mexico▽■	95-800-462-4240
Nicaragua■	174
Panama●■	109
Peru▲■	171
Venezuela●■	800-11-120

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AT&T Access Numbers for countries in the Asia/Pacific region are listed daily in the Asian edition of the International Herald Tribune.

Faster connection from countries with rotary pulse outpulsal to major US carriers on calls to the US. Automated calling does not yet available from all countries or phones. Hold-based countries permit access to country calling outside the U.S. Direct calling is available to the U.S. only. Country-to-country time quoted is the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all the countries listed above. ●Public phones require deposit of coin or phone card for dial tone. ▼Dial "02" first, outside Cairo. †Dial "01" first, outside Beirut only. ‡Additional charges apply when calling outside business. ▲Limited availability. ◇Direct calling only. ○Public phones require local coin payment during call. ※Not available from public phones. ◆Await second dial tone. When calling from public phones, use phone marked "Int. Dial". ○Calling available to designated countries. ■In country to country calls can only be placed to the country where AT&T



